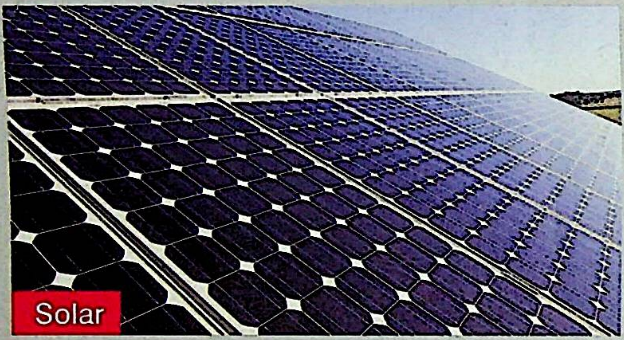
LANCO

Always Inspiring

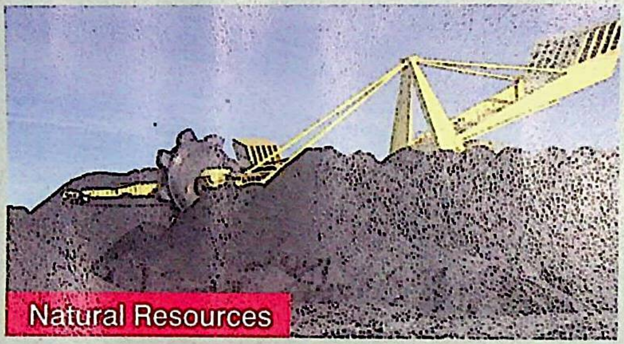
Lanco Infratech Limited | Annual Report 2012 - 2013

Power

EPC

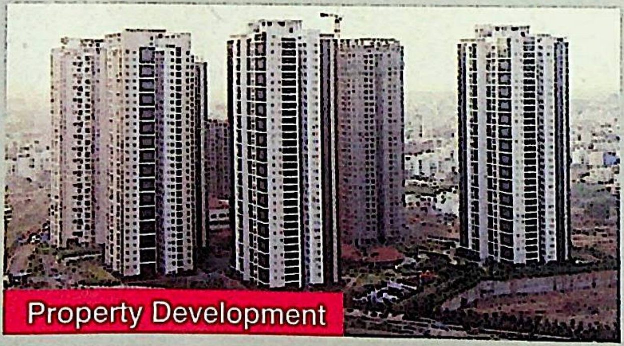


Solar



Natural Resources

Infrastructure

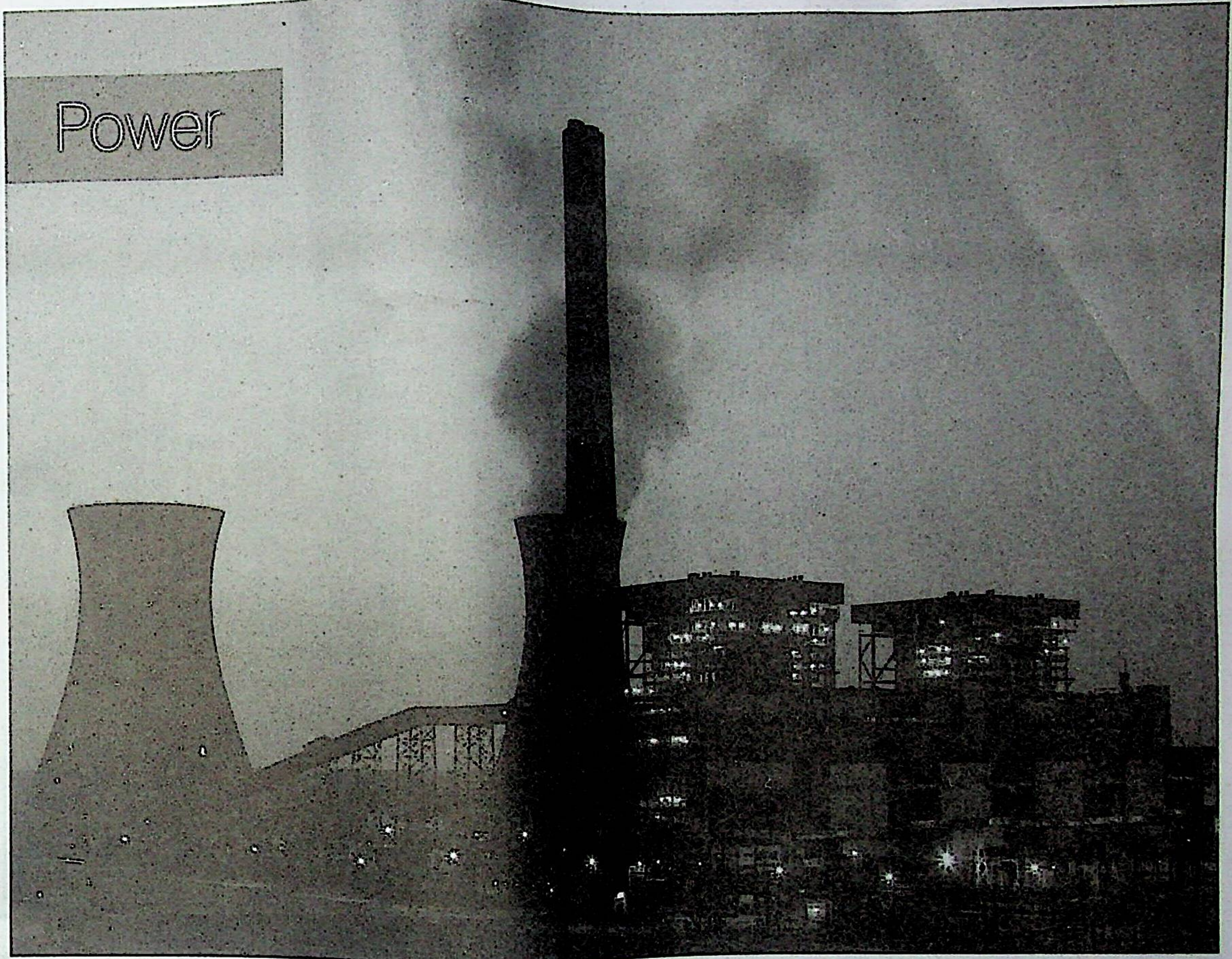


Property Development

Moving on. Forward

At LANCO forward is the only direction we recognize. Be it consolidating on our growth, or realigning our business strategies to meet challenges in dynamic environments, it's always about taking the next step in an impacting and positive manner. Our story is one that gets stronger with every year. Notwithstanding the dynamic economic environments, LANCO has firmly adhered to its business vision and goals while smartly realigning its plans to leverage opportunities into tangible business outcomes.

Our business verticals are powered by the idea of a collective growth that subscribes perfectly to our credo of ALWAYS INSPIRING. A vision we share with our stakeholders, associates, partners and employees as we move forward with confidence, one step at a time.

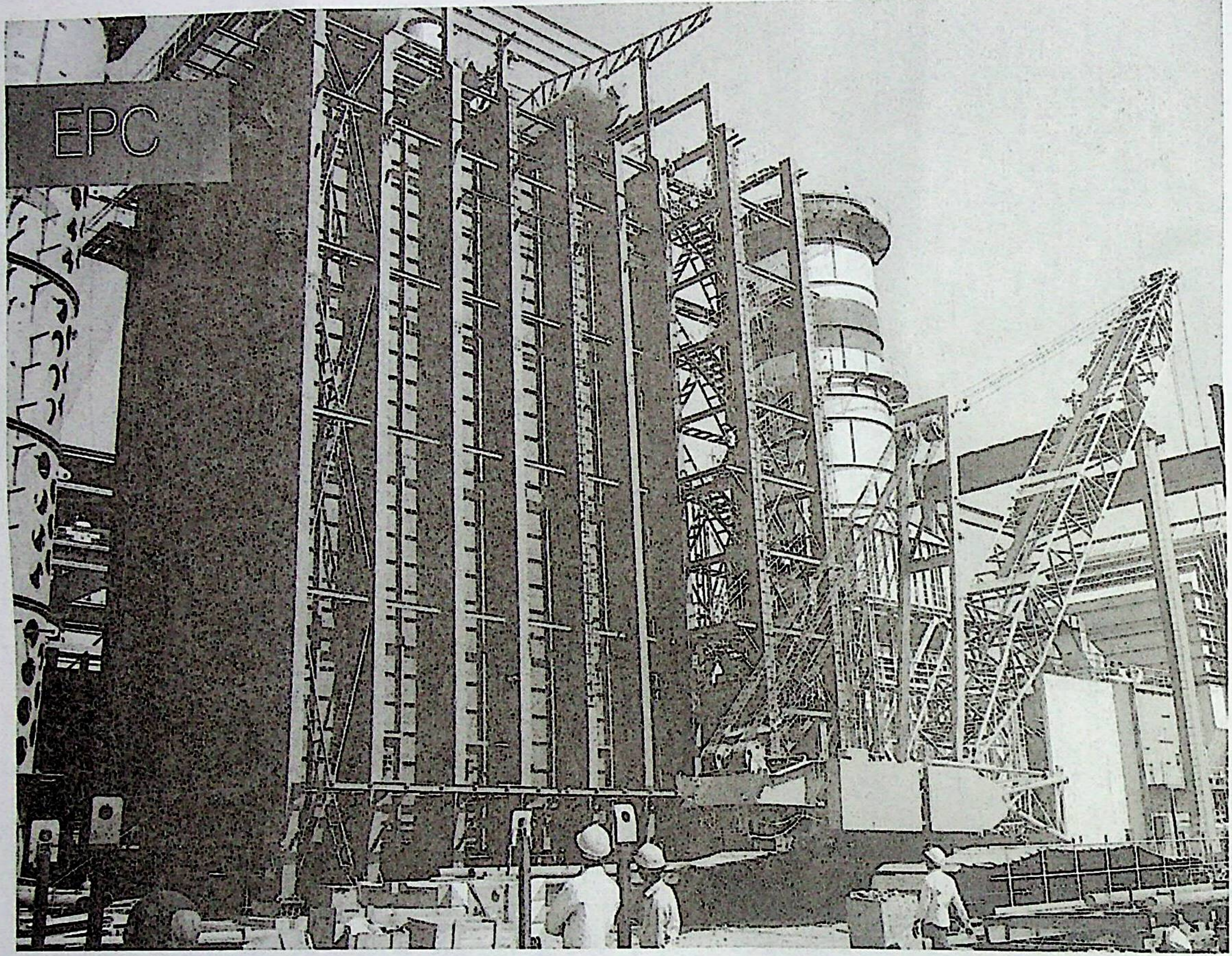


Powered in the right direction

One of the largest independent power producers in the country. An installed capacity of 4732 MW with an under-construction capacity of 4636 MW. Competencies in energy that straddle varied fuel types with our power portfolio strategically placed across geographic locations. These facts are a precursor to the road map ahead we have laid for ourselves. In fact, we have also entered into an MoU with the China Development Bank (CDB) for a $ 2 billion debt for our Anpara Phase II and Himavat power projects. As India's energy requirements continue to spiral, we at LANCO are ever ready to step up and deliver as we have done before.

LANCO POWER fact file

- Full year operations of Lanco Anpara (1200 MW) and Lanco Udupi (1200 MW)
- Commercial operations commenced at Budhil hydro power plant (70 MW)
- Lanco's Power Trading division (NETS) registered trading of 6137 million units (23% YoY)
- Long term Power Purchase Agreement (25 years signed up for Amarkantak Unit 1 (300 MW)
- Environment clearance granted by MoEF for Himavat Power (2*660 MW) coal based super critical thermal power plant under development
- Environment clearance granted by MoEF for Anpara Phase II (2*660 MW). Lanco's coal based super critical thermal power plant
- Kondapalli Unit 1 received full fixed charge under the PPA with APTRANSCO
- Lanco Anpara granted Medium Term Open Access for the supply of 100 MW power to Tamil Nadu for 3 years beginning June 2013



Building future-ready competencies

At Lanco, our forte comes from the ability to change direction at the most opportune time. Our EPC competencies are a mirror image of this credo. A smart business strategy which involved a seamless integration of our home grown EPC capabilities with our other verticals – Power, Construction and Infra – has proven to be catalytic in our move forward. This has enabled us to consolidate our strengths in executing large thermal and hydro power projects across India as well as establishing our emphatic presence as the pioneering innovators in EPC. An order book worth ₹ 22,97,750 Lakhs for EPC projects, just about sums up the way we are heading – forward.

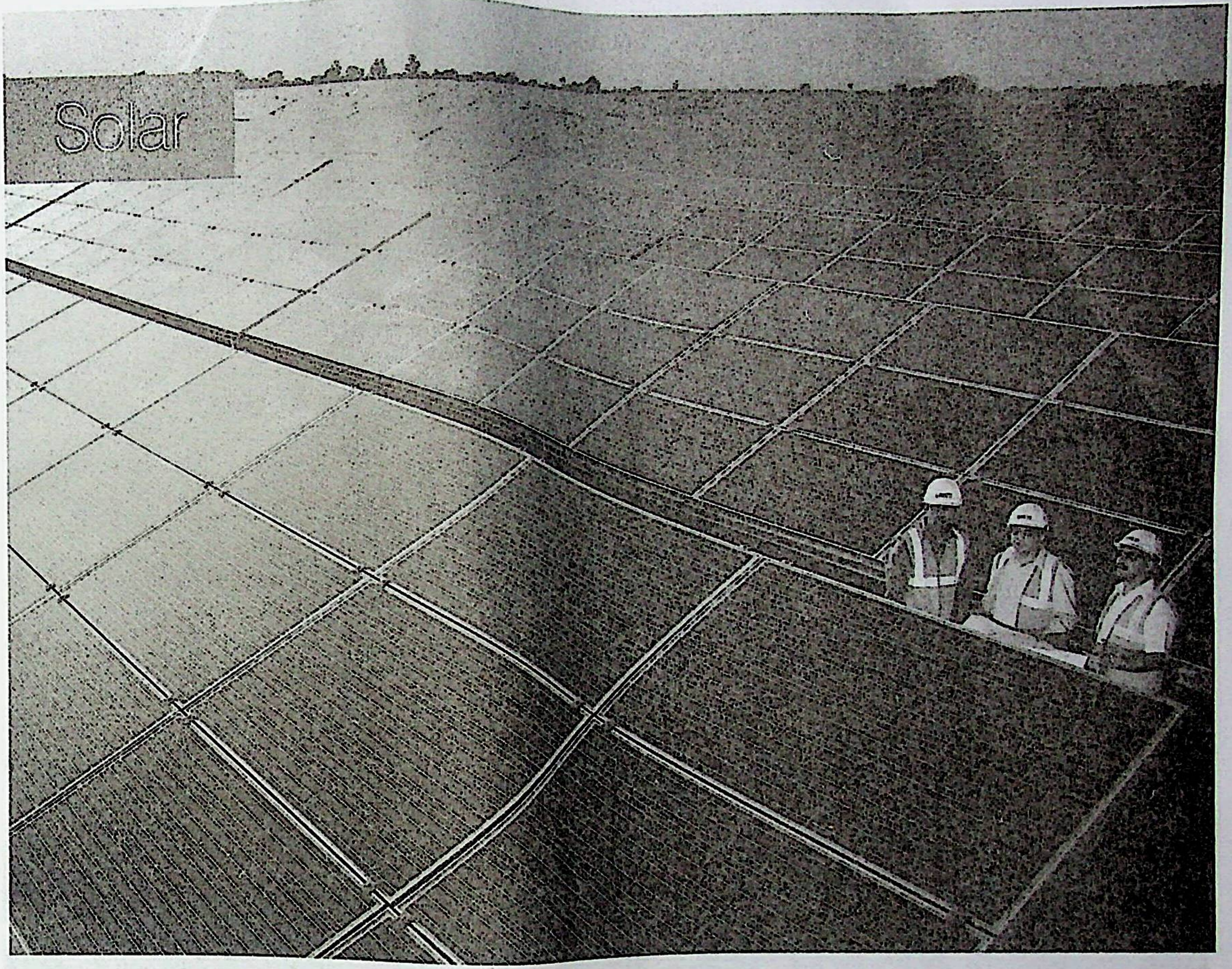
LANCO EPC fact file

External

- BOP of 3x660 MW Koradi Thermal Power Project for Mahagenco
- EPC of 2x125 MW Akaz Gas Power Project for Government of Iraq
- EPC of 2x600 MW Moser Baer Thermal Power Project

Internal

- 2x660 MW Amarkantak Thermal Power Project
- 2x660 MW Vidarbha Thermal Power Project
- 2x660 MW Babandh Thermal Power Project
- 500 MW Teesta Hydro Power Project
- 76 MW Mandakini Hydro Power Project

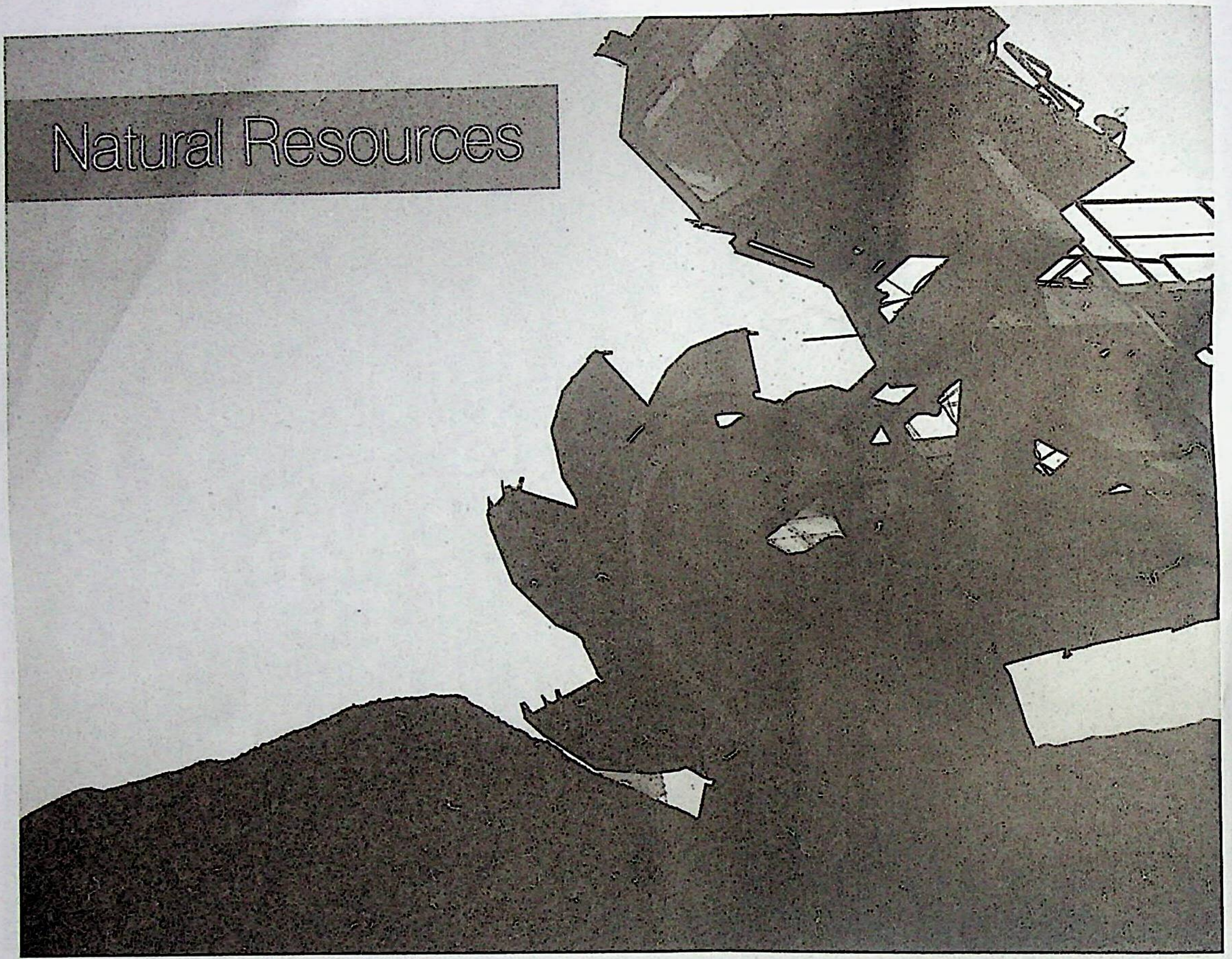


Bright times ahead

Green energy is the future. At Lanco, we are more than ready for it. Our presence as one of the largest players in solar energy (a Solar EPC order book of ₹ 3,32,250 Lakhs) did not come by chance. Strategic road maps, insightful planning and the ability to pre-empt future opportunities has led us to leverage existing competencies to our advantage. Today, we have the capability of managing the entire life cycle of solar energy projects, irrespective of the scope and requirements. Our in-built design and execution skills are geared to step up to off-gird and on-grid projects. Add to this an in-house manufacturing facilities and we are amongst the few players to offer holistic renewable solutions speedily and cost-effectively.

LANCO SOLAR fact file

- Aims to be a leader, as a developer and a third party EPC player
- Successfully deployed a 75 MW Solar PV project, which is the largest deployed solar power project in India, for Mahagenco
- Solar farm development portfolio of 141 MW (operating 41 MW and under construction 100 MW)



A positive synergy

When it comes to managing natural resources in the current economic scenario, resource leadership is the order of the day. Our foray into this vertical is geared to take into context the interdependencies of the natural resources and consequently offer long term management of resources which delivers both economic and ecological benefits. Our two-pronged strategy of building our natural resources portfolio involves operating and under-developed assets in India and across the world. This has resulted in securing fuel to our Power projects, effecting a seamless project integration on one hand; On the other, it has added to our expanding portfolio of competencies paving the way to becoming a global player.

At Lanco, our key focus area has been Coal, having joined the privileged league of top-line mine developers and operators in the country. To date, we have over 2 billion tons of coal resources. Our current operating asset Griffin Coal has production capacity of 4 MTPA with the scaling-up capability of producing 15 MTPA by 2018.

LANCO NATURAL RESOURCES fact file

Lanco Mahatamil Project

- Gare Palma Sector- 2 Coal Block jointly allocated to TNEB (74%) and MSMC (26%) awarded to Lanco Infratech Limited for Mine Development and Operations
- Development of end use thermal power plant for TNEB share of coal
- Capabilities to be developed to produce over 20 MTPA coal and approximately 2000 MW of power plant

Griffin Coal Mine

- Griffin Coal Mining Company Pty Ltd based in Collie, is Western Australia's oldest coal company with coal resources of approximately 1.1 billion tonnes
- Coal from Griffin caters to both the domestic Australian and export markets. It produced 3.11 MT of coal during the year with sales of 3.03 MT
- Capacity enhancement program with capacity being raised from current to 15 MTPA is underway

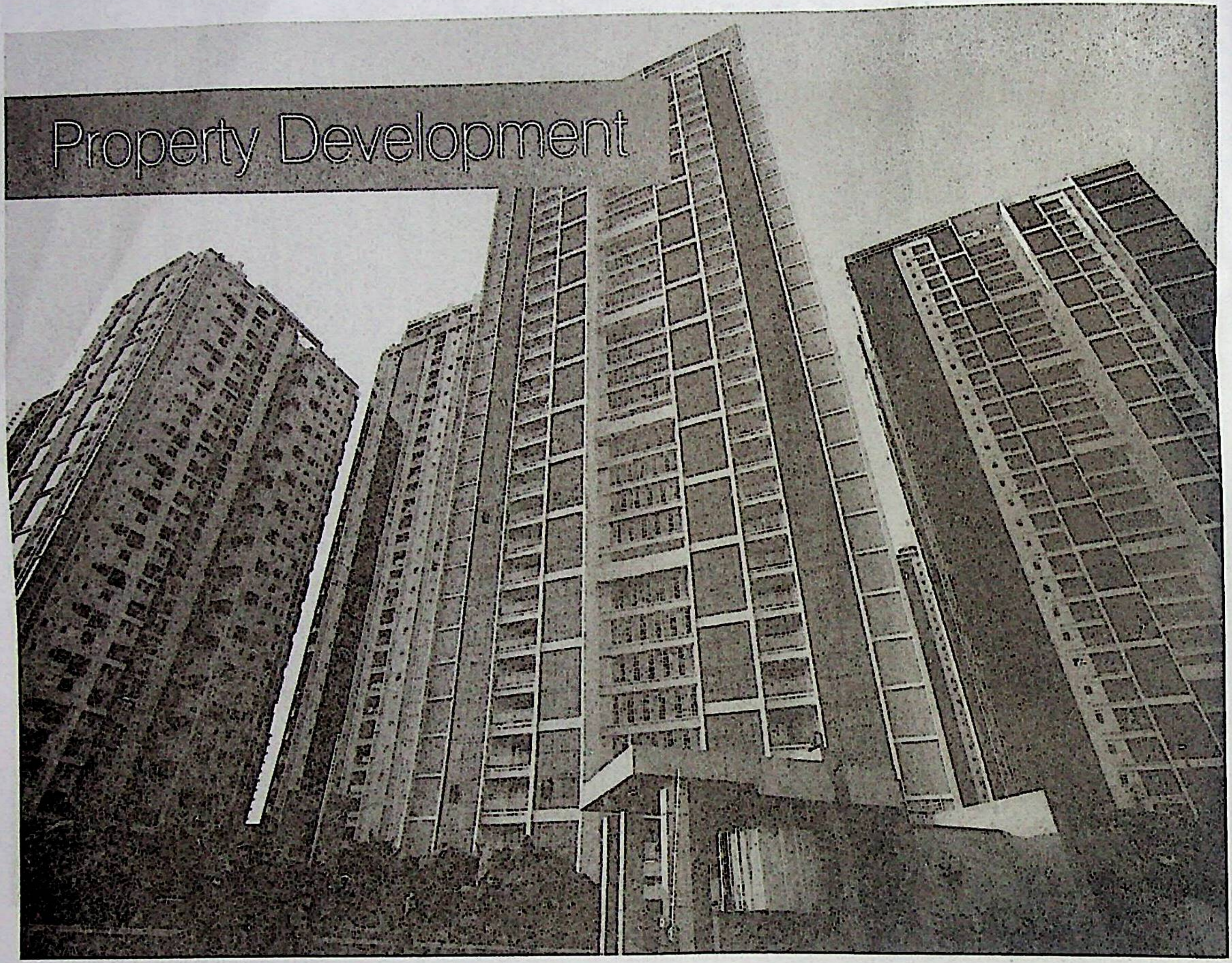
Structured to lead

The 12th Five Year Plan has allocated a budget outlay of approximately $ 1 trillion for infrastructure development. Despite the fact that India has the second largest road network in the world. (total length of 33 lakh kilometers). National Highways account for only 1.7% of roads but carries 40% of the traffic. Parallel to this is the annual projected growth of Roadways which stands at 12% to 15% for passenger traffic and 15% to 18% for cargo traffic.

At Lanco, our purposeful move forward into selective infrastructure projects comes from the solid grounding of our EPC capabilities. Our infrastructure competencies is focused on execution of large civil and urban projects. The National Highways Development Project (NHDP) is India's largest road development initiative of 54000 kilometers. Lanco has signed Concession Agreements with the National Highways Authority of India (NHAI) for developing 443 kilometers of national highways in the country.

LANCO INFRASTRUCTURE fact file

- 82 km Neelamangla Junction (Bangalore) – Devihalli (NH-48) is in operation
- Construction of 81 km of Bangalore – Hoskote – Mulbagal (NH-4) completed. Approval for Commissioning (COD) is being awaited
- Financial closure of 283 km - Aligarh – Kanpur (NH-91) completed. Construction will commence after obtaining the necessary approvals



Landmarks next

Spread over 100 acres, this one-of-a-kind project offers a premium mix of residential and office spaces, SEZs, retail and hospitality. The Mega Mall, which is in the development stage will soon offer shopping entertainment and leisure avenues on a global scale.

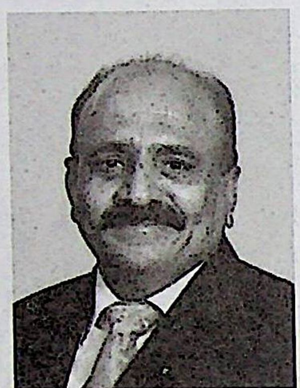
LANCO PROPERTY DEVELOPMENT fact file

- During 2012-2013, the revenue from operations increased by 122%
- Mega Mall is under design and development stage and is all set for construction

Contents

Board of Directors

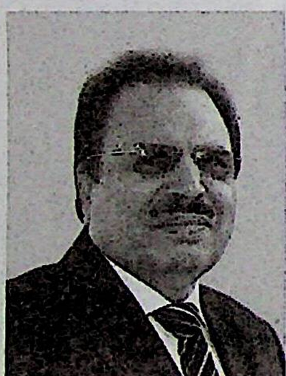
Mr. L. Madhusudhan Rao
Executive Chairman



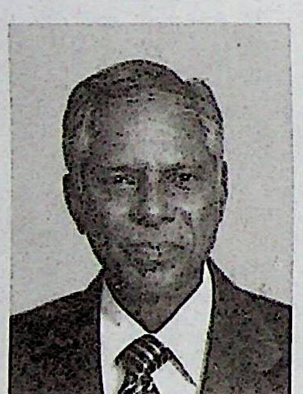
Mr. G. Bhaskara Rao
Executive Vice - Chairman

Mr. L. Sridhar
Vice - Chairman

Mr. G. Venkatesh Babu
Managing Director

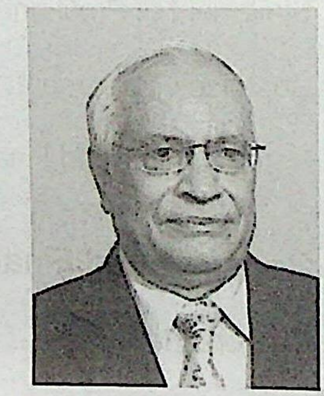


Mr. S. C. Manocha
Deputy Managing Director



Dr. Pamidi Kotaiah
Independent Director

Mr. P. Abraham
Independent Director



Dr. Uddesh Kumar Kohli
Independent Director

Dr. B. Vasanthan
Independent Director

Mr. R. Krishnamoorthy
Independent Director

Corporate Information

Board of Directors

Mr. L. Madhusudhan Rao	-	Executive Chairman
Mr. G. Bhaskara Rao	-	Executive Vice-Chairman
Mr. L. Sridhar	-	Vice-Chairman
Mr. G. Venkatesh Babu	-	Managing Director
Mr. S.C. Manocha	-	Deputy Managing Director
Dr. Pamidi Kotaiah	-	Independent Director
Mr. P. Abraham	-	Independent Director
Dr. Uddesh Kumar Kohli	-	Independent Director
Dr. B. Vasanthan	-	Independent Director
Mr. R. Krishnamoorthy	-	Independent Director

Chief Operating Officer Finance — Mr. T. Adi Babu

Company Secretary — Mr. A. Veerendra Kumar

Auditors

Brahmayya & Co,
Chartered Accountants
48, Masilamani Road
Balaji Nagar, Royapettah
Chennai – 600 014
Tamil Nadu, India

Registered Office

Plot No.4, Software Units Layout, HITEC City
Madhapur, Hyderabad – 500 081, Andhra Pradesh, India
Phone: +91-40-4009 0400, Fax: +91-40-2311 6127
E-mail: complianceofficer.litl@lancogroup.com
Website: www.lancogroup.com

Corporate Office

Lanco House, Plot No. 397, Udyog Vihar, Phase-3
Gurgaon–122 016, Haryana, India
Phone: +91-124-474 1000, Fax: +91-124-474 1878

Registrar & Share Transfer Agent

Aarthi Consultants Private Limited
1-2-285, Domalguda, Hyderabad – 500 029
Andhra Pradesh, India
Phone: +91-40-2763 8111, 2763 4445
Fax: +91-40-2763 2184
E-mail: info@aarthiconsultants.com
Website: www.aarthiconsultants.com

Bankers and Financial Institutions of the Company

Allahabad Bank
Andhra Bank
Axis Bank Limited
Bank of Baroda
Bank of Maharashtra
Canara Bank
Central Bank of India
Corporation Bank
DBS Bank
Dena Bank
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
Indian Overseas Bank
IndusInd Bank Limited
Infrastructure Development Finance Company Limited
ING Vysya Bank Limited
Kotak Mahindra Bank Limited
Life Insurance Corporation of India
Oriental Bank of Commerce
Punjab & Sind Bank
Punjab National Bank
Srei Infrastructure Finance Limited
State Bank of Bikaner & Jaipur
State Bank of Hyderabad
State Bank of India
State Bank of Mysore
State Bank of Patiala
Tata Capital Limited
The Catholic Syrian Bank Limited
The Jammu & Kashmir Bank
UCO Bank
Union Bank of India
United Bank of India
Vijaya Bank
Yes Bank Limited

YEAR AT A GLANCE - CONSOLIDATED

PARTICULARS	(₹ Lakhs) 2012-2013	2011-2012	Change (%)
Profit and Loss Account			
Gross Revenue	15,29,586	15,39,684	(1)
Less: Elimination of Inter Segment Revenue	1,40,820	5,11,027	(72)
Net Revenue	13,88,766	10,28,657	35
Profit Before Depreciation, Interest and Taxation (PBITDA)	2,65,333	1,84,860	44
Depreciation and Amortisation	1,12,581	56,280	100
Profit Before Interest and Taxation	1,52,752	1,28,580	19
Eliminated Profit on transactions with Subsidiaries	(1,758)	75,862	(102)
Profit Before Interest and Taxation Plus Elimination	1,50,994	2,04,442	(26)
Interest and Finance Charges	2,42,144	1,05,385	130
Profit Before Taxation, Exceptional Item Plus Elimination	(91,150)	99,057	(192)
Exceptional Item	-	11,643	(100)
Profit Before Taxation Plus Elimination	(91,150)	1,10,700	(182)
Provision for Taxation (Including Deferred Tax and MAT Credit Entitlement)	17,962	22,462	(20)
Profit After Tax (Before Minority Interest and Share of Profits from Associates)	(1,09,112)	88,238	(224)
Share of Minority Interest	(1,122)	13,428	(108)
Share of Profits / (Loss) from Associates	(288)	(6,022)	(95)
Profit After Tax (After Minority Interest and Share of Profits from Associates) Plus Elimination	(1,08,278)	68,788	(257)
Prior Period Items	(1,262)	360	(450)
Elimination of Profit on Transactions with Subsidiaries and Associates	314	79,631	(100)
Profit After Tax (After Minority Interest and Share of Profits from Associates)	(1,07,329)	(11,203)	858
Cash Profit	23,292	1,37,802	(83)
Cash Flow			
Cash from Operating Activities before Elimination	1,86,953	4,18,467	(55)
Balance Sheet			
Share Capital	23,924	23,896	0
Reserves & Surplus	3,43,322	4,46,709	(23)
Minority Interest	93,418	95,188	(2)
Net Worth Plus Minority	4,60,664	5,65,793	(19)
Eliminated Profit on Transactions with Subsidiaries and Associates (Cumulative)	1,51,606	1,51,292	0
Net Worth Plus Minority & Elimination	6,12,270	7,17,085	(15)
Non Current Liabilities	30,97,156	29,07,245	7
Current Liabilities	15,24,306	13,68,332	11
Total of Net Worth Plus Minority & Liabilities	**50,82,126**	**48,41,370**	**5**
Non Current Assets	39,33,396	37,67,349	4
Current Assets	11,48,730	10,74,021	7
Total of Assets	**50,82,126**	**48,41,370**	**5**
Key indicators			
Earning Per Share (In Rs.)			
Basic	(4.58)	(0.48)	855
Diluted	(4.58)	(0.48)	855
No. of Employees	5,710	7,914	(28)

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Twentieth Annual Report on the Business and Operations of the Company together with the Audited Accounts for the year ended March 31, 2013.

FINANCIAL RESULTS

(₹ Lakhs)

	CONSOLIDATED Year ended March 31		STANDALONE Year ended March 31	
	2013	2012	2013	2012
INCOME				
Revenue from operations and other income	13,88,765.63	10,28,657.33	4,82,275.29	8,66,924.77
Profit Before Taxation	(89,391.92)	34,838.31	1,023.15	10,626.40
Provision for Taxation	17,961.65	22,462.24	(311.29)	(940.84)
Net Profit after Taxation	(1,07,353.57)	12,376.07	1,334.44	11,567.24
Less: Prior period items	(1,262.05)	360.34	-	-
Add: Share of Profit/(Loss) of Associates	(287.81)	(6,021.81)	-	-
Less: Elimination of Unrealized Profit on Transactions with Associate Companies	2,072.24	3,768.96	-	-
Less: Share of Minority Interest	(1,122.11)	13,428.43	-	-
Net Profit/(Loss) after Taxation, Minority Interest and Share of Profit/(Loss) of Associates (Balance Carried to Balance Sheet)	(1,07,329.46)	(11,203.47)	1,334.44	11,567.24
Surplus brought forward	1,45,551.56	1,61,417.24	-	-
Profit Available for Appropriation	**38,222.10**	1,50,213.77	**1,334.44**	11,567.24
Transfer (from)/to Capital Redemption Reserve	-	1,677.32	-	-
Transfer to General Reserve	(0.42)	2,803.75	-	-
Premium paid on buy back of shares by a subsidiary	-	179.28	-	-
Proposed dividend and Dividend distribution tax	1.86	1.86	-	-
Balance Carried to Balance Sheet	**38,220.66**	1,45,551.56	**1,334.44**	11,567.24

OPERATIONS AND BUSINESS REVIEW

On a Consolidated basis your Company has reported Gross Revenues of ₹ 13,88,765.63 Lakhs as against ₹ 10,28,657.33 Lakhs of Revenues registered in the previous year. Total Expenditure for the Year was ₹14,78,157.55 Lakhs as against ₹10,05,462.19 Lakhs in the previous year. The Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) amounted to ₹ 2,65,333.45 Lakhs while the same was ₹ 1,84,859.78 Lakhs for the previous year i.e. a increase of 44 %. The Profit before tax stood at ₹ (89,391.92) Lakhs, as compared to ₹ 34,838.31 Lakhs in the previous year.

The Net Profit/(Loss) after Tax and adjustment of Minority Interest and Share of Profits of Associates was ₹ (1,07,329.46) Lakhs as against ₹ (11,203.47) Lakhs for the previous year.

Gross Interest and Finance charges on consolidated basis amounted to ₹ 2,42,144.25 Lakhs in comparison to ₹ 1,05,385.10 Lakhs due to increase in loans and Working Capital Requirements for Project Execution.

A detailed discussion on the results of the operations, financial condition and business review is included in the Management Discussion and Analysis section placed at **Annexure-II** to this Report.

DIVIDEND

Your Directors have not recommended dividend for the year ended March 31, 2013.

SUBSIDIARY COMPANIES

During the year, the following Companies have become subsidiaries of the Company:

Lanco Virgin Islands I, LLC, Bhola Electricity (Pvt.) Limited, Western Australia Coal Terminal Pty. Ltd., Lanco Rambara Hydro Power Private Limited and Portia Properties Private Limited.

During the year, the status/name of the following subsidiaries have been changed:

Lanco Hydro Power Limited (earlier known as Lanco Hydro Power Private Limited) and Lanco Thermal Power Limited (earlier known as Vamshi Industrial Power Limited).

NOTE ON PARTICULARS REQUIRED AS PER SECTION 212 OF THE COMPANIES ACT, 1956

The Ministry of Corporate Affairs vide their General Circular No. 2/2011 dated February 8, 2011 had granted general exemption to the Companies under Section 212(8) from the requirement to attach detailed financial statements of each subsidiary. The detailed financial statements and audit reports of each subsidiary are available for inspection at the Registered Office of the Company during office hours and upon written request from shareholder(s), your Company will arrange to send the financial statements of subsidiary companies to the said shareholder(s).

HEALTH, SAFETY AND ENVIRONMENT

Your Company had been progressing well with respect to our programs laid to enhance the culture of Health, Safety and Environment (HSE). The entire leadership supports gives a comfortable platform to encourage the team in getting the success in different fronts. Corporate HSE has been driving various initiatives like HSE Audit Management, Contractor HSE Management and 'Train the Trainer' Programme to propel awareness on HSE at sites.

The group has started its process improvement programs in HSE processes with a sense of leveraging its IT platform. Many of our site personnel participate in various national level HSE competitions and make the group proud. A new initiative in sharing the best HSE practices among sites, which are of significant value to enhance HSE performance and give a new value and methods to improve the organizational value.

The HSE performance is realised with recognition of our efforts in HSE and towards their sustenance. The true reflection of our HSE culture is more evident at our Amarkantak site when it won the Prestigious "Sarvashreshtha Suraksha Puraskar" conferred by National Safety Council of India (NSCI). Other sites, which have participated in various HSE awards and won during the year make us proud. A brief description is below:

Company	Award
Lanco Infratech Limited- EPC Division	• NSCI Safety Awards, Sarvashreshtha Suraksha Puraskar (Golden Trophy) (Amarkantak Site) • NSCI Safety Awards (Anupur Site)
Lanco Amarkantak Power Limited	• Green Tech Safety Awards, Gold Category • Golden Peacock Occupational Health & Safety Award
Udupi Power Corporation Limited	• CII HSE Excellence Award in Southern Region
Lanco Tanjore Power Company Limited	• 5 star Rating by National Safety Council, UK • Green Tech Safety Awards, Gold Category • NSCI Safety Awards, Tamilnadu Chapter • Golden Peacock Environmental Excellence Award
Lanco Kondapalli Power Limited	• NSCI Safety Awards, Prashansa Patra • Green Tech Safety Awards, Gold Category • Golden Peacock Environmental Excellence Award

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. L. Madhusudhan Rao, Mr. S.C. Manocha and Mr. G. Venkatesh Babu, Directors retire by rotation and being eligible, offer themselves for re-appointment.

The Company had filed applications, subject to approval of shareholders, with the Ministry of Corporate Affairs, New Delhi seeking waiver for recovery of excess remuneration paid in financial year 2012-13 and approval for payment of remuneration from the financial year 2013-14 onwards, to Mr. L. Madhusudhan Rao, Executive Chairman and Mr. G. Bhaskara Rao, Executive Vice-Chairman. Further, necessary approvals from the shareholders of the Company are being obtained for waiver of recovery of excess remuneration paid to all the managerial personnel of the Company under Schedule XIII of the Companies Act, 1956 and for payment of remuneration w.e.f. April 1, 2013. The resolutions for approval of the shareholders for the above, forms part of the Notice for the ensuing Annual General Meeting.

DEPOSITS

Your Company has not accepted deposits falling within the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975, during the year under review.

AUDITORS

The Auditors of the Company, M/s. Brahmayya & Co., Chartered Accountants, (Firm Registration No. 000511S) retire at the conclusion of the ensuing Annual General Meeting of the Company and have confirmed their willingness and eligibility for appointment and have also confirmed that their appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

COST AUDITORS

M/s.DZR & Co., Cost and Management Accountants have been reappointed as the Cost Auditors for the year ending March 31, 2014, as recommended by the Audit Committee. The Cost Audit Report for the year ended March 31, 2012 was due for filing on February 28, 2013 and was filed on February 9, 2013.

The Central Government has approved the appointment of M/s.DZR & Co., Cost and Management Accountants as Cost Auditors for conducting Cost Audit for the Financial Year 2013-14. The Audit Committee has also received a Certificate from the Cost Auditors certifying their independence and arm's length relationship with the Company.

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Directors present the abridged accounts under Section 219 of the Companies Act, 1956. Pursuant to the Companies (Central Government's) General Rules and Forms, 1956 read with Section 219(1)(b)(iv) of the Companies Act, 1956, the Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 have not been provided. However, these particulars are available for inspection at the Registered Office of the Company and upon written request from a shareholder, we will arrange to mail these details.

DISCLOSURE ON COMPANY'S EMPLOYEES STOCK OPTION PLAN

The Employees Stock Option Plan - 2006 and the Employees Stock Option Plan – 2010 were approved by shareholders by passing Special Resolutions in the Extraordinary General Meeting held on June 7, 2006 and Annual General Meeting held on July 31, 2010, respectively.

The required information pursuant to Clause 12 of the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended, is enclosed as **Annexure-I** to this Report.

PARTICULARS OF EMPLOYEES

Your Directors present the abridged accounts under Section 219 of the Companies Act, 1956. Pursuant to the Companies (Central Government's) General Rules and Forms, 1956 read with Section 219(1)(b)(iv) of the Act, the Particulars of Employees as required by Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 have not been provided. However, these particulars are available for inspection at the Registered Office of the Company and upon written request from a shareholder, we will arrange to mail these details.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis as required under Clause 49 of the Listing Agreement is enclosed as **Annexure-II** to this Report.

CORPORATE GOVERNANCE

In compliance with the conditions of Corporate Governance, pursuant to Clause 49 of the Listing Agreements with Stock Exchanges, the Report on Corporate Governance with the Certificate from a Practicing Company Secretary certifying compliance in this regard forms part of this Annual Report.

REGISTRAR AND SHARE TRANSFER AGENT

The Company has appointed M/s. Aarthi Consultants Private Limited, Hyderabad as the Registrar and Share Transfer Agent of the Company in place of M/s. Link Intime India Private Limited, with effect from May 10, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures are made from the same;

(ii) we have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the period;

(iii) we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) we have prepared the annual accounts on a going concern basis.

INFORMATION ON AUDITORS' QUALIFICATIONS:

The information and explanations of your Directors on the qualifications by the Auditors on Abridged and Consolidated Statements are as follows:

- **Qualification (a):**

  To meet the business requirements of augmenting the equity funding from private equity investors, strategic investors, the Power Holding Company structure was required. Accordingly the Power Holding Company structure was put in place to have first balance sheet of power hold co as at March 31, 2012. The Company approached the lenders for approval for the said restructuring. The Company could obtain approval from all 5(five) lead lenders and also from 100 (one hundred), out of 133 (one hundred thirty three) participating lenders. The delay in getting the balance lenders approval is only procedural and the Management is confident of getting the same.

- **Qualification (b):**

  One of the Subsidiary Company is recognizing revenue calculated as per the CERC norms. There is a dispute between the Subsidiary Company and HPGCL on the method of tariff determination apart from other issues. The Auditor is of the view that the revenue is disputed. Based on the legal opinions, the Management is confident that tariff fixation shall happen as per CERC guidelines which support the revenue recognition by the Subsidiary Company.

- **Qualification (c):**

  Your Company was a profit making company to pay the Managerial Remuneration to its Whole Time Directors as approved by the shareholders. Though the remuneration being paid to the professionally qualified Whole Time Directors is at par with the industry, during the FY 2012-13, due to lower profits on account of lower EPC business due to infrastructure sector related problems, the remuneration paid has exceeded the limits prescribed under Sections 198 & 309 of the Companies Act, 1956. However, the Company approached Ministry of Corporate Affairs for waiver of the recovery of excess remuneration paid under Schedule XIII of the Companies Act, 1956 to Executive Chairman and Executive Vice Chairman of the Company. Further, necessary approvals from the shareholders of the Company are being obtained in the ensuing Annual General Meeting for waiver of recovery of excess remuneration paid to all the managerial personnel of the Company, under Schedule XIII of the Companies Act, 1956. The Management is confident of getting the waiver.

- **Qualification (d):**

  The renewable energy industry particularly solar power is an upcoming industry in India with aggressive growth prospects. The remuneration to the Professional Whole Time Director of your Subsidiary has been fixed by shareholders as per market standards exceeded the limits prescribed under Section 198 and Section 309 of the Companies Act, 1956. As a onetime waiver, the Subsidiary Company approached Ministry of Corporate Affairs for waiver of excess remuneration paid to the Professional Whole Time Director. The Management is confident of getting the waiver.

- **Qualification (e):**

  Your Company acquired the Griffin Coal Mine which was under Administrator at the time of acquisition. The Griffin Coal Mining Pty Limited and Carpenter Mine Management Pty Limited were under Administrator and the audit for FY 2008-2009 and FY 2009-2010 was not completed at the time of acquisition. Due to non-availability of Audited Financial statements for FY 2010-2011 and FY 2011-2012, the Management Financial Statements were offered for consolidation. Your Company could complete the audit of FY 2008-2009, FY 2009-2010, FY 2010-2011 and FY 2011-2012 subsequent to acquisition. Post completion of the audit, there were no significant differences between the Audited Financial Statements and Management Financial Statements for the years ended March 31, 2011 and March 31, 2012. The audit of Griffin financials for the year ended March 31, 2013 is under progress and expected to be completed shortly.

Qualifications (a) and (c) are also qualifications in Abridged Financial Statements.

ACKNOWLEDGEMENT AND APPRECIATION

Your Directors take this opportunity to thank all the stakeholders including Shareholders, Financial Institutions, Banks, Customers, Suppliers, Service Providers and Regulatory and Governmental Authorities for their consistent co-operation. Directors also wish to place on record the sincere appreciation of the hard work, dedication and commitment of Employees at all levels. We look forward to your continued support in the future.

For and on behalf of the Board

L. Madhusudhan Rao	**G. Venkatesh Babu**
Executive Chairman	Managing Director
DIN - 00074790	DIN - 00075079

Place : Gurgaon
Date : July 22, 2013

Annexure I - Disclosure in compliance with Clause 12 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended

S. No.	Description	Employee Stock Options Plan 2006
1	Total Number of Options under the plan	11,11,80,960
2	Options granted during the year	NIL
3	Pricing Formula	The options issued by the ESOP Trust shall be at Par Value subject to the adjustments for corporate actions such as Bonus, Consolidation and Split.
4	Options vested as of March 31, 2013	6,58,49,014
5	Options Exercised during the year	1,06,01,445
6	The total number of shares arising as a result of exercise of Options (As of March 31, 2013)	4,91,92,420
7	Options lapsed during the year	22,54,708
8	Variation of Terms of Options upto March 31, 2013	NIL
9	Money realised by exercise of Options during the year (in ₹)	25,76,151
10	Total Number of Options in force as on March 31, 2013	6,54,10,490
11	Employee wise details of Options granted to	
	(i) Senior Management during the Year	NIL
	(ii) Employees holding 5% or more of the total number of Options granted during the year	NIL
	(iii) Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding warrants and convesrions) of the Company at the time of grant.	NIL
12	Diluted Earnings Per Share pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20	0.06
13	Where the Company has calculated the employee compensation cost using the intrinsic value of the Stock Options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the Options. The impact of the difference on profits and on EPS of the Company.	Since these options were granted at a nominal exercise price, intrinsic value on the date of grant, approximates the fair value of options.
14	Weighted average exercise prices and weighted average fair values of options seperately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Exercise Price ₹ 0.243 Per Option. No new options were granted during the year.
15	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information:	NA
	(a) risk free interest rate	
	(b) expected life	
	(c) expected volatility	
	(d) Expected dividends, and	
	(e) the price of the underlying share in market at the time of option grant.	

Annexure II - MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC REVIEW

Global

The world economy continued to struggle to recover from the after effects of the global financial crisis. World GDP grew at a pace of 3.2% in 2012. Developed nations continued to struggle with high unemployment, fiscal tightening and slower growth. There was marked slowdown in the growth rates of developing countries as well. China grew at a rate of 7.8% against a growth rate of 9.2% in 2011. According to the International Monetary Fund, the US is expected to grow at 1.9% in 2013 against a growth rate of 2.2% in 2012. Although the US has started showing signs of recovery, the world's economic outlook appears challenging over the next 2 years.

GDP Growth Rates (%)

Country	2011	2012	2013 (E)
USA	1.7	2.2	1.9
UK	0.7	0.2	0.7
China	9.2	7.8	8.0
Japan	-0.7	2.0	1.6
Europe	1.6	0.0	0.3
World	2.8	3.2	3.3

(Source: World Economic Outlook, IMF April 2013)

India

India's GDP grew at a modest rate of 5% during the year 2012-13. Continued struggle with high inflation, high interest rates, infrastructure constraints and lack of policy reforms pushed the nation's growth rate to a decade low. The growth rate in the previous year was 6.2%. Agriculture grew at a pace of 1.9% for the year whilst 'Mining and Quarring' contracted by 0.6%. Manufacturing sector grew by a meagre 1.0% during the year compared with a growth rate of 2.7% during the previous year. There was a slowdown in the financing, real estate, insurance sector as well as it grew by 8.6% in FY13 vis-à-vis 11.7% in the previous year.

	India Industry Growth Rates (%)	FY12	FY13
1.	Agriculture, forestry and fishing	3.6	1.9
2.	Mining and quarrying	-0.6	-0.6
3.	Manufacturing	2.7	1.0
4.	Electricity, gas and water supply	6.5	4.2
5.	Construction	5.6	4.3
6.	Trade, hotels, transport and communication	7.0	6.4
7.	Financing, insurance, real estate and business services	11.7	8.6
8.	Community, social and personal services	6.0	6.6
	Gross Domestic Product	**6.2**	**5.0**

(Source: Central Statistical Organisation, India)

The Government expects the economy to grow between 6.1% and 6.7% during 2013-14. However slowing public spending and capital expenditure combined with weakening private consumption are likely to keep GDP growth subdued. Analyst consensus pegs the growth rate for FY14 at 5.7%.

COMPANY REVIEW

Lanco Infratech Limited (Lanco) is one of India's leading business entities and amongst the largest private independent power producers in the country. We possess more than 25 years of experience in the fields of Engineering, Procurement and Construction (EPC), Power, Solar, Natural Resources and Infrastructure. The organisation's expertise in building large civic and urban infrastructure projects has been deployed in constructing thermal and hydro power projects across the country. With our unique 'concept to commissioning' EPC execution model, we have delivered quality projects within the budgeted cost and timeframe. Our continued focus on innovation and expansion together with our commitment to quality have contributed significantly to the progress that the company has made over a short span of time.

Lanco is fast emerging as one of the top private sector power developers in India

Installed Power Capacity	Power Capacities under Construction	Power Capacities under Development
4,732 MW*	4,636 MW	6,840 MW

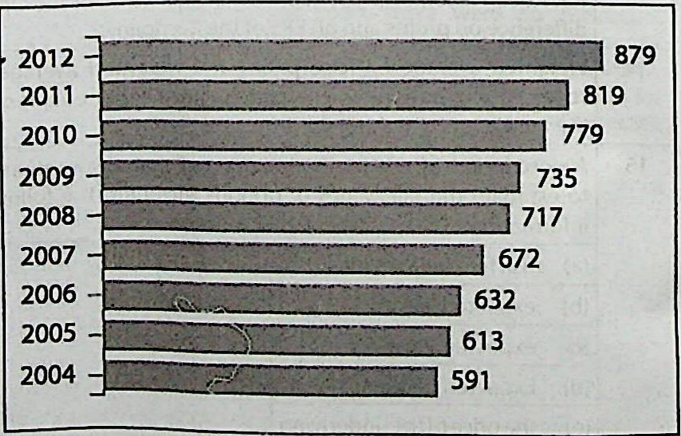
*732 MW getting ready for operations

INDUSTRY REVIEW – DEVELOPMENTS AND OUTLOOK

Power

Growth in the power sector is imperative for long term sustainable growth of the nation. From 2003-04 to 2011-12, the All India per capita consumption of electricity in India has grown at a CAGR of 5.1%. The annual per capita consumption of electricity as of 2011-12 stood at 879 kilo watt hours.

All India Per capita consumption of electricity (Units)



Source: Central Electricity Authority (CEA)

The total installed generation capacity in India as of end FY13 stood at 223.34 GW. Out of the total installed generating capacity, 58.3% was coal based, 17.7% was hydro and 9.0% was gas based.

All India Installed Generation Capacity (As on 31-03-2013)

	Thermal				Nuclear	Hydro Renewable	RES (MNRE)	Grand Total
	Coal	Gas	Diesel	Total				
MW	130220.9	20109.9	1199.8	151530.5	4780.0	39491.4	27541.7	223343.6
Percentage	58.3	9.0	0.5	67.8	2.1	17.7	12.3	100.0

(Source: CEA)

Against the generation capacity addition target of 17956 MW for the year FY13, addition of 20623 MW was achieved led by addition in thermal generation capacity.

Generation Capacity Addition Target/Achievement (2012-13)

	Hydro	Thermal	Nuclear	Total
Target (MW)	802.0	15154.3	2000.0	17956.3
Achievement up to March '13 (MW)	501.0	20121.8	0.0	20622.8
Percentage	62.5	132.8	0.0	114.9

(Source: CEA)

The total electricity generation in India during FY13 was at 911.65 Billion Units (BUs) as against the target of 930 BUs, about 98.0% of the target.

Electricity Generation (2012-13)

	Hydro	Thermal	Nuclear	Bhutan imports	Total
Targeted (BU)	122	767	35	5	930
Achieved (BU)	113.6	760.4	32.9	4.8	911.6
Achievement rate (%)					98.03

(Source: CEA)

However, India continues to be a power deficit country and per capita energy consumption in India continues to be lower than other developing economies like China, Russia and Brazil.

	Power Supply Position for FY13	
	Base Load Deficit (%)	Peak Load Deficit (%)
Northern Region	-9.2	-8.9
Western Region	-3.3	-1.5
Southern Region	-15.5	-18.5
Eastern Region	-4.6	-7.4
North-Eastern Region	-7.3	-6.7
All India	-8.7	-9.0

(Source: CEA)

With the ever-increasing energy needs of an emerging economy like India, the power sector plays a critical role in the growth of the nation. Private sector participation in the Indian power sector was made open back in 1991 when initial efforts were made by the government to provide impetus to the sector. However it was after the introduction of the Electricity Act in 2003 that the era of growth in the sector actually started. The act not only provided attractive returns to power developers on their investments but also provided with a more transparent understanding of the workings of distribution companies. Consequently, India's generating capacity has more than doubled since the end of the ninth plan. From 2003 onwards, India has added ~118GW in generating capacity compared with 103GW of capacity addition in all the earlier plan periods put together (1951-2002). This growth has in a large part been fuelled by huge private sector participation.

However in recent times the envisaged growth in the power sector has been affected by various factors. Some of the major issues facing the power sector include availability of fuel, both coal and gas, power tariffs not capturing the effect of partial supply of allocated coal, delays in obtaining vital clearances (environment, land and water), poor financial and commercial health of the State Electricity Boards leading to lack of power procurement by SEBs and in turn leading to load shedding, high interest rates, weakening Indian Rupee, investor apathy towards investing in the sector both as private equity and primary market investors and a slowdown in the pace of reforms. These have all resulted in a slowdown in the sector with more projects being shelved than being announced. As per industry reports, new project announcements have declined by ~2.5% in FY13 compared to FY12 whereas the total value of projects shelved have gone up by ~33% over the same period.

However given the vital role the power sector plays in the growth of the nation, the government in 2012-13 introduced several measures aimed at alleviating the concerns that are hampering the growth of the sector. Significant progress has also been made in the implementation of reforms introduced in the previous year.

Some of the initiatives are –

1. **State Electricity Board financial restructuring package:** A healthy distribution sector is essential for the proper functioning and long term growth of the whole industry. Keeping this in mind, the government introduced the SEB financial restructuring package during the year aimed at improving the financial health of the discoms by easing their debt burden. A number of states including Uttar Pradesh, Haryana, Andhra Pradesh and Tamil Nadu have given in principal approval to participate in the restructuring exercise.
2. **Fuel supply agreements:** Major differences between the principal supplier of coal, Coal India, and power developers over new Fuel Supply Agreements (FSAs) have been resolved and around 65 new FSAs have already been signed till date.
3. **Standard bidding documents:** The process to finalise the new standard bidding documents is progressing albeit at a slow pace. The Power ministry has invited comments from various stakeholders to register their objections/reservations vis-à-vis the new bidding documents. Under the new bidding documents, fuel cost is contemplated to be completely pass-through.
4. **Cabinet Committee on Investments:** Cabinet Committee on Investments (CCI) has been formed in order to expedite grant of the regulatory clearances necessary for infrastructure projects. Some of the major decisions taken by the CCI having immediate bearing on the prospects of the infrastructure sector are - exempting 25% extra coal mining from additional clearance, de-linking the grant of environment clearance from forest clearance for linear road projects, clearing 25 E&P blocks for continued exploration of Oil and Gas.

Recognising the need to improve their financial health, almost all states hiked electricity tariffs in FY13.

Given the favourable demand supply dynamics, the outlook for the power sector is encouraging especially for the private developers as a majority of the upcoming capacity will be developed by the

private sector. The twelfth plan envisages a capacity addition of 88,537 MW out of which private sector is expected to contribute 46,925 MW (53%). However resolution of the current fuel related issues associated with both the pricing and availability of fuel will impact the attainment of the targets.

Solar

In order to achieve its energy targets and to reduce dependence on fossil fuels, it is vital that India harness its renewable energy potential. The Jawaharlal Nehru National Solar Mission (JNNSM) was launched in January 2010 to make India a global leader in solar energy. Before JNNSM, India's solar power capacity was only 17.8 MW in early 2010. The Mission is aimed at reducing the cost of solar power generation in the country and has set the target of deploying 20,000 MW of grid connected solar power by 2022. The mission also aims to achieve grid tariff parity by 2022 and parity with coal based thermal power by 2030.

Segment	JNNSM Capacity Addition Target		
	Target for Phase 1 (2010-2013)	Cumulative Target for Phase 2 (2013-2017)	Cumulative Target for Phase 3 (2017-2022)
Utility Grid Power including rooftop	1100 MW	10000 MW	20000 MW
Off Grid Solar Applications	200 MW	1000 MW	2000 MW
Solar Collectors	7 Million sq mt	15 million sq mt	20 million sq mt

(Source: Government of India, Ministry of New and Renewable Energy)

There have been significant achievements during the 1st phase (Jan. 2010 to March 2013) of the Jawaharlal Nehru National Solar Mission and several projects under various programmes have been completed. Grid connected projects of total capacity of 1047.16 MW have already been commissioned. Under off-grid scheme, 160.8 MW of photo-voltaic based systems have been sanctioned and 6.07 million square meter of collector area of solar water heating has been installed.

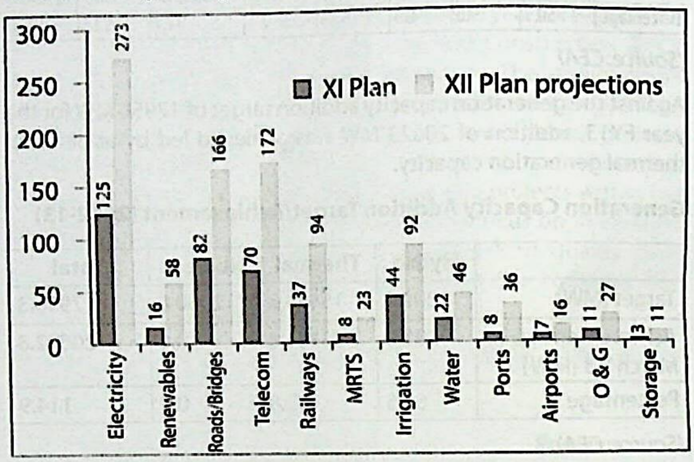
Resources

As on 31-3-2013, 58% of India's installed generation capacity was coal based. The country's estimated coal resources are approximately 293 billion tonnes. The total production of raw coal in the country during 2012-13 was 557.5 MT which was 97% of the target production and exhibited a growth rate of 3.3% over the previous year (2011-12) when the growth rate was 1.4% over 2010-11. However with domestic production unable to keep up with the demand, the country will be more dependent on imported coal to meet the energy requirements of the nation. It is estimated that as of the end of the twelfth plan, India's requirement for imported coal would be close to 100 million tonnes.

Infrastructure

Spending on infrastructure is vital to rebuild the growth momentum in the economy. Inadequate spending on infrastructure during the Eleventh Plan was a major constraint on rapid growth in the country. According to the planning commission, in order to attain a 9% real GDP growth rate, infrastructure investment should be on average almost 10% of GDP during the Twelfth Plan. The twelfth plan envisages spending of close to USD 1 Trillion on infrastructure development during the five year period. There will be a significant increase in the amounts spent on all sectors including electricity, roads/bridges and renewables.

Twelfth Plan Spending on infrastructure (USD Billion) ($=50 INR)



(Source: Planning Commission, Government of India)

BUSINESS REVIEW

EPC*

Order book	Revenues	EBIDTA	EBIDTA margin
₹ 26,28,434 Lakhs	₹ 5,38,217 Lakhs	₹ 78,480 Lakhs	14.6%

** Including Solar EPC*

Lanco is an established industry leader in executing large projects. Our unique 'concept to commissioning' EPC execution model has enabled us to deliver quality projects within the budgeted cost and timeframe. The organisation's expertise in building large civic and urban infrastructure projects has been deployed in constructing thermal and hydro power projects across the country and internationally. The total EPC order book (including Power and Solar Projects) as at end FY13 stands at Rs. 263 billion.

Lanco offers Engineering, Procurement and Construction services in the following infrastructure business segments:

- Power Projects: Coal, Gas, Hydro and Solar
- Transmission – Power, Water etc.
- Transportation – Roads, Metros etc.
- Industry projects – Manufacturing plants
- Building – Large scale building complexes, Hospitals etc.

Key Developments In 2012-13

- Completed construction and start of commercial operations of Budhil - 70 MW Hydro plant in Himachal Pradesh
- Completed construction and start of commercial operations of 82 km NH48 road project in Karnataka (Neelamangala to Devihalli)
- Completed construction of 81 km NH4 project in Karnataka (Hoskote)
- Completed construction and start of commercial operations of 600 MW of Unit 2 Udupi Power Project
- Bagged EPC contract of 765kv D/C transmission line project from PGCIL (~88 kms)

- Bagged additional project for construction of station buildings for Delhi metro
- Completion of new airport terminal building at Bhubaneswar airport

MAJOR PROJECTS UNDER EXECUTION

External

- EPC of 2x600 MW Thermal Power Project (Moser Baer)
- BOP of 3x660 MW Koradi Thermal Power Project for Mahagenco
- EPC of 2x125 MW Akaz Gas Power Project for Government of Iraq

Internal (All EPC Contract Projects)

- 2x660 MW Amarkantak Thermal Power Project
- 2x660 MW Vidarbha Thermal Power Project
- 2x660 MW Babandh Thermal Power Project
- 500 MW of Teesta Hydro Power Project
- 76 MW Mandakini Hydro Power Project

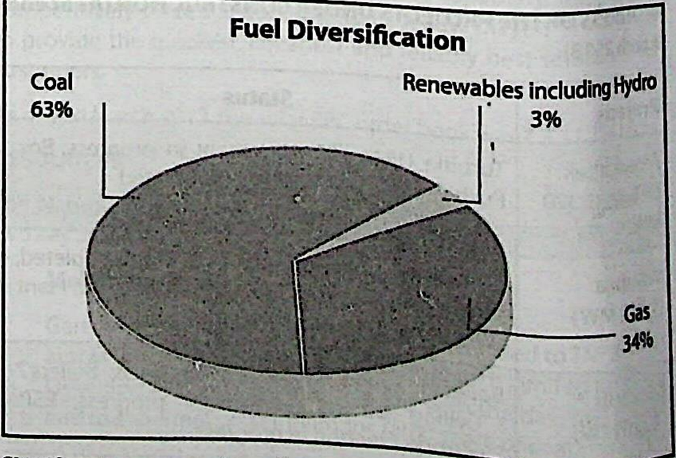
Power*

Installed Power Capacity	Revenues	EBIDTA	EBIDTA margin
4,732 MW	₹ 8,66,258 Lakhs	₹ 1,92,614 Lakhs	22.2%

** Including Solar (732 MW getting ready for operations)*

Lanco Infratech is one of the largest independent private producers in the country. The company's installed capacity stands at 4,732 MW and the capacity under construction stands at 4,636 MW. The power portfolio is strategically developed with a varied mix of fuel types and geographical locations. Out of the current installed capacity, 63% is coal based, 34% is gas based and 3% is renewables including hydro.

Lanco Infratech Installed Capacity (end FY13)



Significant progress has also been made in the projects under construction.

KEY DEVELOPMENTS IN 2012-13

- Power trading division (NETS) traded 6137 million units, higher by 23% YoY.
- Start of full commercial operations (1200 MW) at Udupi Thermal power station with the commencement of commercial operations of Unit 2 of 600 MW after establishing 400 KV transmission line for power evacuation
- Interim Tariff approval by CERC for 90% of fixed charges for Udupi unit 1 (600 MW)
- Amarkantak Unit 1 of 300 MW signed long term Power Purchase Agreement of 25 years with Madhya Pradesh
- Start of commercial operations at Lanco Budhil, 70 MW hydro plant
- Grant of environment clearance by MoEF for Himavat Power (2*660 MW coal based super critical thermal power plant under development)
- Grant of environment clearance by MoEF for Anpara Phase II (2*660 MW coal based super critical thermal power plant under development)
- Kondapalli Unit 1 (gas based 366 MW) received full fixed charge under the PPA with APTransco
- Lanco Anpara was granted Medium Term Open Access to supply 100 MW of power to Tamil Nadu for three years starting June 2013
- Entered into a memorandum of understanding (MOU) with the China Development Bank (CDB), a bank owned by the Government of the Peoples Republic of China, to arrange $ 2 billion debt for two power projects (Anpara Phase II and Himavat)

PERFORMANCE OF THE PROJECTS UNDER OPERATION

Kondapalli Phase-I

Gas based power station located in Andhra Pradesh with an installed capacity of 368 MW. The unit has a long term Power Purchase Agreement (PPA) with Andhra Pradesh discoms under which fixed charges are recoverable based on dual fuel based availability. The unit has tied up fuel supply arrangements with GAIL and RIL. Performance of the plant during the year is as follows-

Gross Generation (MUs)		Plant Load Factor (PLF %)	
FY12	FY13	FY12	FY13
2,031	1,768	63	55

Lower PLF during the year was on account of lower gas supply. During the year, supply of fuel declined significantly affecting the operations of the plant. However unit was able to recover full fixed charges.

Kondapalli Phase-II

Gas based power station located in Andhra Pradesh with an installed capacity of 366 MW. The unit sold power on short term basis to Andhra Pradesh discoms during the year. It has tied up fuel supply with RIL (KG-D6). Performance of the plant during the year is as follows-

Gross Generation (MUs)		Plant Load Factor (PLF %)	
FY12	FY13	FY12	FY13
2,204	664	69	21

During the year, PLF was impacted significantly on account of lower gas supply from KG-D6 resulting in a plant load factor of 21% for the year.

Tanjore

Gas based power station located in Tamil Nadu with an installed capacity of 120 MW. The plant has a long term PPA with Tamil Nadu with fuel supply arrangement with GAIL. Performance of the plant during the year is as follows-

Gross Generation (MUs)		Plant Load Factor (PLF %)	
FY12	FY13	FY12	FY13
803	893	76	85

Amarkantak Unit-I

Domestic coal based power station located in Chhattisgarh with an installed capacity of 300 MW. The unit started supplying power under a long term PPA to Madhya Pradesh effective December 2012 after which there was a significant increase in the plant load factor. Prior to that, load factor at the plant was affected due to regulatory issues and transmission constraints in the newly created W3 region. Performance of the plant during the year is as follows-

Gross Generation (MUs)		Plant Load Factor (PLF %)	
FY12	FY13	FY12	FY13
2,196	1,798	84	68

Amarkantak Unit-II

Domestic coal based power station unit located in Chhattisgarh with an installed capacity of 300MW. Performance of the plant during the year is as follows-

Gross Generation (MUs)		Plant Load Factor (PLF %)	
FY12	FY13	FY12	FY13
1,817	1,351	69	51

The performance of the unit during the year was affected due to regulatory issues, reduced power offtake by procurers, coal constraints and transmission constraints in the newly created W3 region.

Udupi

Lanco Udupi is India's first imported coal based power plant located in Karnataka having an installed capacity of 1200 MW. The plant has a long term PPA with Karnataka discoms for 90% of the power and for 10% of the power with Punjab. During the year, Unit 2 of 600 MW declared start of commercial operations in August 2012 after the establishment of a 400 KV transmission line for the unit. Performance of the plant during the year is as follows-

Gross generation (MUs)		Plant Load Factor (PLF %)	
FY12*	FY13	FY12*	FY13
3,161	6,423	60	76

*Only Unit#1 was operational in FY12.

Gross generation and PLF have improved significantly during the year as FY13 was the first full year operation of the plant (full 1200 MW). However load factor was not optimal as the plant was shut down during the fourth quarter because of non-availability of coal.

Anpara

Anpara is India's first case-2 bid domestic coal based power plant. It is located in Uttar Pradesh with an installed capacity of 1200 MW. The unit has a long term PPA with Uttar Pradesh discoms for 1100 MW of supply. During the year, the unit also received Medium Term Open Access to supply 100 MW of power to Tamil Nadu for three years starting June 2013. Performance of the plant during the year is as follows-

Gross generation (MUs)		Plant Load Factor (PLF %)	
FY12	FY13	FY12	FY13
973	3,979	37	38

2012-13 was the first full year of commercial operations for the plant and hence there has been a significant increase in the units generated. However optimal generation was affected due to regulatory issues and coal and infrastructure constraints.

Budhil

Hydro based power plant is located in Himachal Pradesh with an installed capacity of 70MW. Plant was commissioned in May 2012 and performance of the plant during the year is as follows-

Gross generation (MUs)		Plant Load Factor (PLF %)	
FY12	FY13	FY12	FY13
-	155	-	30

Solar Generation

Performance of all solar plants during the year is as follows-

Gross generation (MUs)		Plant Load Factor (PLF %)	
FY12	FY13	FY12	FY13
17	56	12	16

Generation volumes have increased significantly with 56 million units generated in FY13, being the first full year of operation for the plants.

PROGRESS OF THE PROJECTS UNDER CONSTRUCTION (As at end March 2013)

Projects	Status
Amarkantak (III & IV) (1,320 MW)	Turbine U#3 : HIP Alignment in progress; Box Pushing: U#3 box Pushing Completed
Vidarbha (1,320 MW)	Boiler #1&2 : Ceiling Girder assembly completed; CD bay : Bunker Erection work Started; DM Plant : Vessel Erection partially completed.
Babandh (1,320 MW)	Boiler#1 : APH erection in progress; Boiler#2 : Ceiling Girder erection in progress; ESP: Electrode Erection in progress
Kondapalli III (732 MW)	The 480 MW Simple Cycle units and 252 MW combined cycle unit are getting ready for operations. Gas allocation awaited.
Teesta (500 MW)	Penstock 1 Steel liners works completed, Works in Penstock 2 under progress. Surge Shaft concrete Lining works started

PhataByung (76 MW)	Power House unit 1 concreting completed & unit 2 concreting under progress, spiral casing works of Unit 2 commenced. 91 % of HRT excavation completed. Surge Shaft & Vertical Pressure Shaft 2 widening nearing completion. EOT full Load Test (125%) completed
Moser Baer (2 X 600 MW)	Unit # 1 Boiler Air Pre Heater erection started; Unit # 2 Boiler Ceiling Girder erection completed; DM Tank # 1,2 & Fuel Oil HFO, LDO tank Hydro test completed; Unit # 1 TG EOT Crane Full Load test completed.
Mahagenco (3 X 660 MW BOP)	DM plant 1 stream commissioned; NDCT #9 Shell casting started; NDCT#10 ring beam casting started; CHP technological structure erection started
Akaz (2 X 125 MW)	Pre commissioning activities for U#1 commenced, GT lube oil flushing & restoration completed; other systems under erection testing; Preparatory work for Pre commissioning activities for U#2 under progress

SOLAR

Lanco Solar aims to provide sustainable, innovative and cost effective solutions across the entire Solar Power Value Chain. The Company is one of the largest solar power players in the country today with a robust developer and turnkey EPC portfolio and has capabilities to manage the entire life cycle of any type of solar project development. The company is active in both utility scale projects as well as roof-top solutions. With its strong focus on a synergetic strategy, Lanco is also setting up a fully-integrated manufacturing project for high-purity Polysilicon, silicon ingots/ wafers and modules in a SEZ facility at Chhattisgarh. With an inbuilt capacity to design and execute all possible kinds of off and on-grid projects with an in-house manufacturing capability, the group is competitively placed ahead among its fellow players in the space to provide the quickest, cheapest and reliably best solution to its customers.

As of end March 2013, the solar EPC order book was ₹ 3,32,254 lakhs.

RESOURCES

The Natural Resources business of the Lanco currently consists of two key assets-

1. **Mahatamil Project**

   Gare Palma Sector- 2 Coal Block jointly allocated to TNEB (74%) and MSMC (26%) awarded to Lanco Infratech Limited for Mines Development and Operations along with the development of end use thermal power plant for TNEB share of coal.

   - Lanco targets the coal mine capacity to be developed to produce over 20 MTPA coal output and approximately ~2000 MW of power plant.
   - Exploration has already been completed and Geological Reserve is around 1 Billion Ton.
   - Mining plan has been submitted to MoC for approval.
   - Application for Mine Lease has been submitted and is under process for approval from Statutory Authorities
   - Application for environmental and forest clearance has been submitted and MoEF's approval for TOR has been received
   - Power Project is in initial development phase. Potential sites for power plant have been identified and technical assessment is in progress.

2. **Griffin Coal Mine**

   The Griffin Coal Mining Company Pty Ltd based in Collie, is Western Australia's oldest coal company with coal resources of approximately 1.1 billion tonnes. Coal from Griffin caters to both the domestic Australian and export markets.

Key Developments in 2012-13

- Produced 3.11 mt of coal during the year with sales of 3.03 MT.
- Deal with Bluewaters (one of the domestic customers) for upward revision of coal supply price was duly executed.
- Capacity enhancement program with capacity being raised from current to 15 MTPA is underway.

Infrastructure

Lanco has moved into selective infrastructure projects to leverage its EPC experience. The company's Infrastructure development business is focussed on executing large civil and urban projects. The National Highway Development Project (NHDP), covering a length of approximately 54000 km is the nation's largest road development programme. We have signed Concession Agreements with the National Highways Authority of India (NHAI) for developing 440 km of national highways.

Road Infrastructure Portfolio:

Project	Status
82 km Neelamangla Junction (Bangalore) – Devihalli (NH-48)	Operational; Collected ₹ 2,977 lakhs in toll revenue during the year
81 Km of Bangalore – Hoskote – Mulbagal (NH-4)	Construction complete; Awaiting approval for Commissioning (COD)
283 km - Aligarh- Kanpur (NH-91)	Achieved financial closure, construction to start after getting necessary approvals

Real Estate

Lanco Hills, located in Hyderabad, is the group's lone foray into property development. Spread over a land parcel of 100 acres, it comprises of residential space, office space, IT SEZ and non SEZ space, retail and hospitality space. The retail space "Mega Mall" is under design and development stage and is all set to go ahead with construction. In May 2012, Lanco Hills got full relief from the Honourable Supreme Court to go ahead with the development at Lanco hills. The Supreme Court stayed the Orders that were earlier passed by the Wakf Tribunal and Division Bench of Hyderabad High Court which stopped Lanco Hills from selling the properties to third parties. During the year 2012-13, revenue from operations increased by 122% to ₹ 16,697 lakhs.

FINANCIAL REVIEW

SEGMENT REVIEW

Revenues

(₹ Lakhs)

Segment Revenue	FY13	Contribution to Total Revenues	FY12	Contribution to Total Revenues	YoY growth (%)
(a) EPC & Construction*	5,38,217	35%	9,92,363	65%	-46%
(b) Power*	8,66,258	57%	4,61,134	30%	88%
(c) Property Development	16,773	1%	7,525	0%	123%
(d) Infrastructure	0	0%	0	0%	
(e) Resources	95,405	6%	69,025	4%	38%
(f) Unallocated	9,317	1%	8,154	1%	14%
Total	15,25,970	100%	15,38,201	100%	-1%
Less: Inter Segment Revenue	1,40,820		5,11,027		-72%
Net Sales/Income from Operations	13,85,150		10,27,174		35%

** Including Solar*

Lanco Infratech's total segmental revenue (post elimination of inter-segment revenue) increased by 35% during 2012-13. The share of the power segment in the total revenue before inter segment revenue in FY13 was 57% vis-à-vis 30% in FY12. This is primarily due to the effect of full year of commercial operations at Lanco Udupi and Lanco Anpara. The share of EPC and Construction segment in the total revenue declined to 35% in FY13 against 65% in FY12. Inter-segment elimination decreased by 72% due to EPC division's decreasing revenue from its subsidiaries. Prior to elimination, the revenue for 2012-13 decreased by 1% due to fall in EPC and Construction revenues. The resources segment witnessed a 38% growth in revenue for 2012-13.

SEGMENT PROFITS

(₹ Lakhs)

Segment Results (Profit(+) / Loss(-) before tax and interest from each segment)	FY13	Contribution to Total Revenues	FY12	Contribution to Total Revenues	YoY growth (%)
(a) EPC & Construction*	68,605	47%	1,29,521	60%	-47%
(b) Power*	1,09,862	74%	1,11,116	52%	-1%
(c) Property Development	186	0%	-459	0%	-
(d) Infrastructure	0	0%	0	0%	
(e) Resources	-30,080	-20%	-22,182	-10%	36%
(f) Unallocated	-1,195	-1%	-3,393	-2%	-65%
Total	1,47,378	100%	2,14,602	100	-31%
Less: Inter Segment Profit on transactions with Subsidiaries	-1,758		75,862		-
Total	1,49,136		1,38,740		7%

** Including Solar*

Consolidated segmental profit before interest and taxes and before elimination of inter-segment profit on transactions with subsidiaries declined by 31% in FY13 against FY12. The profit from the EPC & Construction segment decreased by 47% as there has been a slowdown in execution of projects affecting the revenues. The profitability of the power segment was also affected due to fuel supply issues, financial health of the SEBs and other infrastructure issues.

FINANCIAL REVIEW

Principles of Consolidation

The financial statements of the Company and its subsidiaries have been consolidated on a line by line basis. This is done by adding together the book values of like items of assets, liabilities, income and expenses and after eliminating intra-group balances, transactions and the unrealized profits/losses on intra-group transactions. Unrealised losses resulting from intragroup transactions are eliminated to the extent that cost can be recovered.

The consolidated financial statements are drawn up by using uniform accounting policies for like transactions and other events in similar circumstances. These are then presented to the extent possible in the same manner, as the Company's individual financial statements.

The financial statements of the subsidiaries are consolidated from the date on which effective control is transferred to the company, till the date such control exists. The difference between the cost of investments in subsidiaries over the company's share of book value of subsidiaries' net assets on the date of acquisition is recognized as goodwill or capital reserve in the consolidated financial statements.

Equity method of accounting is followed for investments in Associates in accordance with Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements. In this case, goodwill / capital reserve arising at the time of acquisition and share of profit or losses after the date of acquisition are included in carrying amount of investment in associates.

Unrealized profits and losses resulting from transactions between the company and its associates are eliminated to the extent of company's interest. Unrealised losses resulting from transactions between the company and its associates are also eliminated, unless the cost cannot be recovered. Investments in associates, made for temporary purposes, are not considered for consolidation and are accounted for as investments.

Putting it simply, while consolidating the subsidiary company, the elimination takes place at the top line where the entire amount of revenue and expenditure is eliminated. In the case of associate consolidation, the entire revenue is recognised. But the profit or loss earned from the associate is eliminated proportionately to the holding in the associate. This adjustment is for the profit and loss account. For adjustment to the balance sheet in case of subsidiaries, the amount equal to profit or loss eliminated will be net off against fixed assets. In the case of associates, it will be net off against investments. Essentially, it is an adjustment which does not impact the cash flow.

ANALYSIS OF PROFIT AND LOSS ACCOUNT

(₹ Lakhs)

	Particulars	FY13	FY12	YoY growth %
1	(a) Income from operations	12,88,325	14,22,954	-9%
	(b) Income from power trading	2,18,785	1,00,017	119%
	(c) Other operating income	7,590	4,952	53%
	Total income from operations (Gross)	**15,14,700**	15,27,924	**-1%**
	Less: Elimination of intersegment operating income	1,40,820	5,11,027	-72%
	Total income from operations (Net)	**13,73,880**	10,16,896	**35%**
2	**Expenses**			
	(a) Cost of materials consumed	6,46,920	5,01,254	29%
	(b) Purchase of traded goods	2,16,125	1,00,438	115%
	(c) Subcontract cost	56,087	52,430	7%
	(d) Construction, transmission, site and mining expenses	1,31,864	1,02,951	28%
	(e) Change in inventories of finished goods and work-in-progress	-45,405	-34,502	32%
	(f) Employee benefits expense	61,845	71,168	-13%
	(g) Depreciation and amortisation expenses	1,12,581	56,280	100%
	(h) Other expenses	48,248	39,215	23%
	Total expenses	**12,28,265**	8,89,234	**38%**
3	Profit/(loss) from operations before other income, foreign exchange fluctuations, finance costs, prior period items and exceptional items (1 - 2)	1,45,615	1,27,663	14%
4	Other income	14,886	11,761	27%
5	Add: Eliminated profit on transactions with subsidiaries	-1,758	75,862	-102%
6	**Profit/(loss) from ordinary activities before foreign exchange fluctuations, finance costs, prior period items and exceptional items plus elimination (3 + 4 + 5)**	**1,58,743**	2,15,286	**-26%**
7	(Gain) / loss on foreign exchange fluctuations (Net)	7,749	10,843	-29%
8	Finance costs	2,42,144	1,05,385	130%
9	**Profit/(loss) from ordinary activities after finance costs but before prior period items and exceptional Items plus elimination (6 - 7 - 8)**	**-91,150**	99,057	**-192%**
10	Exceptional items	-	11,643	-100%
11	**Profit/(loss) from ordinary activities before tax, prior period items plus elimination (9 + 10)**	**-91,150**	1,10,701	**-182%**
12	Tax expense	17,962	22,462	-20%
13	Net profit/(loss) from ordinary activities after tax but before prior period items plus elimination (11 - 12)	-1,09,112	88,238	-224%
14	Extraordinary Item (net of tax expense)	-	-	
15	Net profit/(loss) for the period before prior period items plus elimination (13 + 14)	-1,09,112	88,238	-224%
	Less: Prior Period Items	-1,262	360	-450%
16	Net profit/(loss) for the period plus elimination	1,07,850	87,878	-223%
	Less: Minority interest	-1,122	13,428	-108%
	Add: Share of profit/(loss) of associates	-288	-6,022	-95%
17	Net profit / (loss) for the period plus elimination after Minority and share profit/(loss) of associates	1.07.016	68,428	-256%
18	Less: Elimination of profit on transactions with subsidiaries and associates	314	79,631	-100%
19	Net profit/(loss) after taxes, minority interest and share of profits/(loss) of associates (17 - 18)	-1.07.329	-11,203	858%
20	Cash profit (17 + 2(g) + deferred tax - MAT credit + forex loss - forex gain)	23,292	1,37,802	-83%
21	**Profit (+)/Loss (-) from ordinary activities before tax (11 - 5)**	**-89,392**	34,838	**-357%**

Revenues from Operations

The consolidated revenue from our operations increased by 35% during 2012-13. This was primarily on account of an increase in income from sale of electrical energy, coal and increase in income from property development. Lanco Anpara, Udupi and Budhil had the first full year of commercial operations leading to a 101% increase in the sale of electrical energy.

(₹ Lakhs)

Particulars	FY13	FY12	YoY Growth %
Contract Operations	4,03,783	5,05,408	-20%
Property Development	16,638	7,495	122%
Management Consultancy	281	1,352	-79%
Operations and Maintenance	530	14	3796%
Electrical Energy	8,55,790	4,25,568	101%
Coal	94,651	73,128	29%
Other Goods	810	2,583	-69%
Income from Lease Rentals	47	8	516%
Other Operating Income	1,349	1,340	1%
Net Revenue from Operations	**13,73,880**	10,16,896	**35%**

Other Income

Other income for FY13 increased by 27% over FY12 led primarily by an increase in interest income.

(₹ Lakhs)

Particulars	FY13	FY12	YoY Growth %
Interest Income	9,510	6,995	36%
Dividend Income	215	207	4%
Net Gain on sale of investments	20	563	-96%
Other Non Operating Income	5,141	3,996	29%
Total	**14,886**	11,761	**27%**

Expenditure

(₹ Lakhs)

EXPENSES	FY13	% of Total FY13 Expenses	FY12	% of Total FY12 Expenses	YoY Growth %
Cost of Materials Consumed	6,46,920	58%	5,01,254	59%	29%
Purchase of Traded Goods	2,16,125	19%	1,00,438	12%	115%
Subcontract Cost	56,087	5%	52,430	6%	7%
Construction, Transmission, Site and Mining Expenses	1,31,864	12%	1,02,951	12%	28%
(Increase) / Decrease in Inventories of Finished Goods and Construction / Development Work in Progress	-45,405	-4%	-34,502	-4%	32%
Employee Benefits Expenses	61,845	6%	71,168	8%	-13%
Other Expenses	55,997	5%	50,058	6%	12%
Total Expenses	**11,23,432**		8,43,798		33%

Cost of Material Consumed

The total cost of material increased by 29% during 2012-13. This was due to a substantial increase in the amount of coal consumed for power generation as there has been a significant increase in the generating capacity of the company year on year. Lanco Udupi and Anpara had their first full year of operations in FY13. Consequently there has been an increase in the oil and other consumables used for power generation.

(₹ Lakhs)

Particulars	FY13	% of Total	FY12	% of Total	YoY Growth %
Construction Material Consumed	2,24,854	35%	3,00,231	60%	-25%
Property Development Cost	18,762	3%	18,225	4%	3%
Coal for Power Generation	2,91,569	45%	46,552	9%	526%
Gas for Power Generation	79,727	12%	93,834	19%	-15%
Oil (HFO, LDO & HSD) for Power Generation	6,718	1%	1,419	0%	373%
Other consumables for Power Generations	2,246	0%	424	0%	429%
Raw Materials Consumed - Coal Mining	20,168	3%	18,246	4%	11%
Raw Materials Consumed - Solar Modules	2,876	0%	22,322	4%	-87%
Total	6,46,920		5,01,254		**29%**

Purchase of Traded Goods

Purchase of traded goods is mainly on account of power purchased for power trading. Power trading division (NETS) traded 6137 million units in 2012-13, higher by 23% YoY.

Sub-Contract Cost

Sub-contract cost represents the construction work sub-contracted to other parties.

Construction, Transmission, Site and Mining Expenses

Construction, transmission, site and mining increased by 28% over the previous year. This was primarily due to an increase in the operating power generating capacity of the company. Unit 2 of 600 MW at Lanco Udupi became operational during the year and Lanco Anpara (1200MW) had its first full year of operation. Other expenses also registered an increase due to the growth in business activities.

CONSTRUCTION, TRANSMISSION, SITE AND MINING EXPENSES

(₹ Lakhs)

Particulars	FY13	% of Total	FY12	% of Total	YoY Growth %
Equipment / Machinery Hire charges	14,731	11%	19,338	19%	-24%
Transmission Charges	11,614	9%	14,617	14%	-21%
Repairs, Operations and Maintenance	22,261	17%	12,247	12%	82%
Consumption of Stores and Spares	4,862	4%	4,059	4%	20%
Insurance	5,373	4%	5,247	5%	2%
Electricity	1,757	1%	4,522	4%	-61%
Security Charges	2,791	2%	2,253	2%	24%
Coal Mining and transportation Cost	61,979	47%	37,541	36%	65%
Others	6,496	5%	3,128	3%	108%
Total	1,31,864		1,02,951		28%

Employee Benefits Expenses

During the year 2012-13, employee benefits expenses decreased by 13% over the previous year. The decrease was on account of fall in the total number of employees in the group due to a slowdown in the development of future projects as a result of a slowdown in economic activity in the country.

(₹ Lakhs)

Particulars	FY13	% of Total	FY12	% of Total	YoY Growth %
Salaries, allowances and benefits to employees	54,917	87%	62,445	85%	-12%
Contribution to provident fund and other funds	2,203	3%	2,175	3%	1%
Employee Stock Option Charge	1,937	3%	3,462	5%	-44%
Recruitment and training	526	1%	1,933	3%	-73%
Staff welfare expenses	3,618	6%	3,613	5%	0%
	63,201	100	73,627	100	-14%
Less: Transferred to Development cost	1,232		2,291		-46%
Less: Transferred to CWIP (Other Direct Cost)	124		169		-27%
Total	61,845		71,168		-13%

Other Expenses

Other expenses increased by 12% compared with the previous year.

(₹ Lakhs)

Particulars	FY13	% of Total	FY12	% of Total	YoY Growth %
Rent	5,750	10%	5,234	10%	10%
Rates and taxes	2,264	4%	3,319	6%	-32%
Donations	756	1%	851	2%	-11%
Repairs and Maintenance:					
Office Building	82	0%	121	0%	-32%
Others	1,110	2%	694	1%	60%
Marketing and selling expenses	35	0%	34	0%	4%
Office maintenance	1,774	3%	2,650	5%	-33%
Insurance	1,343	2%	1,400	3%	-4%
Printing and stationery	409	1%	594	1%	-31%
Consultancy and other professional charges	11,945	21%	7,752	15%	54%
Directors sitting fee	74	0%	55	0%	34%
Electricity charges	429	1%	294	1%	46%
Net Loss on sale of investments					
Current Investments					
Long Term Investments	15	0%	0	0%	
Net Loss on Foreign Exchange Fluctuations	7,749	13%	10,843	21%	-29%
Remuneration to auditors (As Auditor):					
Audit Fee	225	0%	319	1%	-29%
Tax audit fees	29	0%	22	0%	28%
Remuneration to auditors (In other capacity):					
Taxation Matters					
Management Services					
Company Law matters					
Other Services (Certification)	5	0%	15	0%	-68%
Reimbursement of expenses to Auditors	40	0%	35	0%	14%
Travelling and conveyance	7,792	13%	9,173	18%	-15%
Communication expenses	1,073	2%	1,382	3%	-22%
Net Loss on Sale of fixed assets	1,869	3%	751	1%	149%
Provision for Losses of Subsidiary Companies	1,020	2%	0	0%	
Share of Loss in a partnership firm / Limited Liability Partnership					

Particulars	FY13	% of Total	FY12	% of Total	YoY Growth %
Provision for Advances / claims / debts	6,833	12%	2,420	5%	182%
Business Promotion & Advertisement	1,564	3%	1,969	4%	-21%
Miscellaneous expenses	3,739	6%	1,756	3%	113%
	57,926	100%	51,684	100%	12%
Less: Recovery of Common Expenses	829		571		45%
Less: Transferred to Development cost	521		422		23%
Less: Transferred to CWIP (Other Direct Cost)	208		31		571%
Less: Elimination of Cost on Intercompany Management Consultancy Income	372		602		-38%
Total	**55,997**		**50,058**		**12%**

Finance Cost and Depreciation/Amortisation

Finance costs increased by 130% during the year on account of the first full year of operations of Anpara and Udupi as subsidiaries. Consequently, depreciation and amortisation expenses also increased by 100% for the year.

Provision for Taxation

The total tax expense decreased by 20% during the year. The current tax/MAT and deferred tax declined 60% and 3% respectively.

(₹ Lakhs)

Particulars	FY13	FY12	YoY Growth %
Current Tax / Minimum Alternate Tax (MAT) Payable	7,985	20,132	-60%
Less: MAT Credit Entitlement	-7,310	494	-
Net Current Tax	15,295	19,638	-22%
Relating to Previous Years	-1	79	-
Deferred Tax	2,668	2,745	-3%
Total Tax Expense	**17,962**	22,462	**-20%**

Share of Profit / Loss of Associates

The share of loss of associates stood at ₹ 288 lakhs against a loss of ₹ 6,022 lakhs in the previous year.

Share of Minority Interest

Share of minority interest represents the interest of minority shareholders in various companies. Share of minority interest decreased from profit of ₹ 13,428 lakhs in FY12 to a loss of ₹ 1,122 lakhs in FY13. This was primarily due to loss at Kondapalli.

Profit After Tax

Reported loss for the year 2012-13 was ₹ 1,07,329 lakhs against a loss of ₹ 11,203 lakhs for the previous year. Adjusted loss (Reported loss plus profit eliminated) for the year was ₹ 1,07,016 lakhs against an adjusted profit of ₹ 55,894 lakhs in the previous year.

Cash Profit

Cash profit is the profit the Company has earned after adjusting for non-cash expenditures like depreciation, forex gain/loss, deferred tax, MAT credit entitlement and adding eliminated profit. Cash profit decreased by 83% during the year and the cash EPS decreased from ₹ 5.9 per share in FY12 to ₹ 1 per share in FY13.

(₹ Lakhs)

Particulars	FY13	FY12	YoY growth (%)
Reported PAT	-1,07,329	-11,203	-858%
Add: Depreciation	1,12,581	56,280	100%
Add: Deferred Tax	2,668	2,745	-3%
Less: MAT Credit	-7,310	494	
Add: Forex Loss / (Gain)	7,749	10,843	-29%
Add: Profit Eliminated	314	79,631	-100%
Cash Profit	**23,292**	1,37,802	**-83%**
Cash EPS (₹)	1.0	5.9	-83%

ANALYSIS OF BALANCE SHEET

Sources of Fund

(₹ Lakhs)

Particulars	FY13	FY12	YoY Growth %
Shareholders' Funds			
Share Capital	23,924	23,897	0%
Reserves and Surplus	3,43,322	4,46,709	-23%
Minority Interest	93,418	95,188	-2%
Non-Current Liabilities			
Long-Term Borrowings	26,00,434	24,00,371	8%
Deferred Tax Liabilities (net)	64,107	71,719	-11%
Other Long-Term Liabilities	3,60,528	3,77,293	-4%
Long-Term Provisions	72,087	57,861	25%
Current Liabilities			
Short-Term Borrowings	5,37,251	4,18,877	28%
Trade Payables	4,51,453	3,75,467	20%
Other Current Liabilities	5,17,176	5,57,161	-7%
Short-Term Provisions	18,426	16,827	10%
Total	**50,82,126**	48,41,370	**5%**

Shareholder's Fund

The total shareholder's fund decreased by 22% during FY 2012-13 mainly on account of a decrease in reserves and surplus. Reserves and Surplus fell by 23% during the year due to a loss for the full year. The losses mainly come from Lanco Anpara, where the performance was affected by fuel, infrastructure issues, and Griffin coal mines which is currently under the expansion phase.

Minority Interest

The minority interest decreased by 1.86% during the year. This was mainly on account of a loss at Kondapalli.

Net Worth

The net worth of the Company, as at March 31, 2013 and as at March 31, 2012, is as under

(₹ Lakhs)

	Particulars	FY 13	FY 12
1	Share Capital	23,924	23,897
2	Reserves and Surplus	3,43,322	4,46,709
3	Shareholders' Fund (1 + 2)	3,67,246	4,70,605
4	Eliminated Profit on Transactions with Subsidiaries and Associates	1,51,606	1,51,292
5	Shareholders' Fund plus Elimination (3 + 4)	5,18,852	6,21,897
6	Minority Interest	93,418	95,188
7	Networth plus Elimination (5 + 6)	6,12,270	7,17,085

Borrowings

Total Borrowings include Long Term, Short Term and Current Maturities of Long Term Borrowings. Total borrowings increased by 9% for the year while long term borrowings increased by 8%. There was an increase of 28% in short term borrowings due to an increase in working capital loans.

(₹ Lakhs)

Particulars	FY13	FY12	YoY growth (%)
Long -Term Borrowings	26,00,434	24,00,371	8%
Current Maturities of Long-Term Borrowings	2,60,367	3,03,745	-14%
Short-Term Borrowings	5,37,251	4,18,877	28%
Total	**33,98,053**	31,22,993	9%

Current Liabilities (Excluding Borrowings)

(₹ Lakhs)

Particulars	FY13	FY12	YoY growth (%)
Current Liabilities as per Balance Sheet	15,24,306	13,68,332	11%
Less: Short-Term Borrowings	5,37,251	4,18,877	28%
Less: Current Maturities of Long- Term Borrowings	2,60,367	3,03,745	-14%
Total	**7,26,688**	6,45,710	13%

Current liabilities (excluding borrowings) increased by 13% during the year primarily due to an increase in trade payables.

Application of Funds

(₹ Lakhs)

Particulars	FY13	FY12	YoY Growth %
Fixed Assets	34,75,476	32,52,054	7%
Non-Current Investments	2,89,605	2,72,685	6%
Deferred Tax Assets (net)	3,667	2,758	33%
Long-Term Loans and Advances	90,911	1,87,164	-51%
Other Non-Current Assets	73,738	52,688	40%
Sub Total	**39,33,397**	37,67,349	4%
Current Assets			
Current Investment	555	3,740	-85%
Inventories	3,09,758	2,78,888	11%
Trade Receivables	4,65,762	3,76,419	24%
Cash and Bank Balances	57,281	1,41,207	-59%
Short-Term Loans and Advances	2,96,045	2,55,041	16%
Other Current Assets	19,329	18,726	3%
Sub Total	**11,48,730**	10,74,021	7%
Total	**50,82,126**	48,41,370	5%

Fixed Assets

The total fixed assets of the company increased by 7%.

Investments

Total investments (current and non-current) increased by 5% during the year. This was mainly due to increased investments in associate and other companies.

(₹ Lakhs)

Particulars	FY13	FY12	YoY growth (%)
Non-Current Investments	2,89,605	2,72,685	6%
Current Investment	555	3,740	-85%
Total	**2,90,160**	2,76,426	5%

Investments Break-Up

(₹ Lakhs)

Particulars	FY13	FY12	YoY growth (%)
Preference Shares	2,78,739	2,60,691	7%
Equity Shares	10,755	11,917	-10%
Mutual Funds	665	3,818	-83%
Total	**2,90,160**	2,76,426	5%

Current Assets (Excluding Investments)

(₹ Lakhs)

Particulars	FY13	FY12	YoY Growth %
Inventories	3,09,758	2,78,888	11%
Trade Receivables	4,65,762	3,76,419	24%
Cash and Bank Balances	57,281	1,41,207	-59%
Short-Term Loans and Advances	2,96,045	2,55,041	16%
Other Current Assets	19,329	18,726	3%
Total	**11,48,175**	10,70,280	7%

Current assets (excluding current investments) increased by 7% during the year. Trade receivables increased by 24% during the year. This was also due to delayed payment from various state electricity boards. As at March 31, 2013 the Group has receivables from various State Electricity Utility companies and other customers against sale of power aggregating to ₹ 2,97,204 lakhs (₹ 2,36,930 lakhs as at March 31, 2012). Based on internal assessment and various discussions had with the customers, the management is confident of recovery of receivables.

Cash and bank balance as at end FY13 was ₹ 57,281 lakhs. Break up is as follows:

(₹ Lakhs)

Company name	Cash and bank balance	% of total
NETS	6,682	12%
Lanco Power Consolidated	39,414	69%
LIPL - Singapore	2,754	5%
Lanco Infratech	5,465	10%
Others	2,966	5%
Total	**57,281**	100%

Loans and Advances

(₹ Lakhs)

Particulars	FY13	FY12	YoY Growth (%)
Long-Term	90,911	1,87,164	-51%
Short-Term	2,96,045	2,55,041	16%
Total	**3,86,955**	4,42,204	**-12%**

Loans and advances decreased by 12% during the year. This was mainly due to a fall in advances for investment and fall in MAT credit entitlement.

Net Current Assets

(₹ Lakhs)

Particulars	FY13	FY12	YoY Growth (%)
Current Assets (excluding investments)	11,48,175	10,70,280	7%
Current Liabilities (excluding borrowings and current maturities)	7,26,688	6,45,710	13%
Net Current Assets	4,21,486	4,24,570	-1%

Analysis of Cash Flow Statement

(₹ Lakhs)

Cash Flow	FY13	FY12
Net Cash Flow from Operating Activities	1,88,711	3,42,604
Net Cash Flow from Financing Activities	-98,704	4,11,646
Net Cash Flow (used in) Investing Activities (preliminary fixed assets)	-1,61,726	-7,41,147
Net increase in Cash and Cash Equivalents	-71,719	13,103

Cash Flow From Operating Activities

Net cash flow from operating activities was ₹ 1,88,711 lakhs during 2012-13. Cash generated before working capital changes was ₹ 2,66,913 lakhs and cash generated from operations (after accounting for movement in working capital) stood at ₹ 1,99,294 lakhs. Direct taxes paid during the year were ₹ 10,583 lakhs.

Cash Flow From Financing Activities

Net cash flow from financing activities stood at an outflow of ₹ 98,704 lakhs during 2012-13. Interest paid during the year was ₹ 3,45,598 lakhs.

Cash Flow (Used In) Investing Activities

Net cash used in investing activities during FY13 was ₹ 1,61,726 lakhs. The amount spent on purchase of fixed assets (including Capital Advances) during the year was ₹ 1,86,453 lakhs and amount spent on purchase of non-current investments was ₹ 11,892 lakhs.

Key Financial Data of Major Operating Companies

(₹ Lakhs)

Particulars	LITL	Amarkantak	Anpara	Kondapalli	Tanjore	Udupi	Griffin	Hills	NETS
Income									
Income	4,74,111	93,055	1,23,966	1,02,555	28,897	2,73,613	94,650	16,697	2,56,212
Other Income	8,164	314	543	2,443	1,971	700	753	76	841
Total	**4,82,275**	**93,369**	**1,24,509**	**1,04,998**	**30,867**	**2,74,313**	**95,404**	**16,773**	**2,57,053**
Expenditure									
Construction/ Development/ Generation Expenses	3,55,286	56,403	1,02,775	76,416	18,806	1,66,735	89,513	14,887	2,53,551
Administrative and Other Expenses	53,185	5,729	2,903	3,457	1,245	4,701	15,583	1,560	2,499
EBITDA	**73,804**	**31,237**	**18,831**	**25,125**	**10,817**	**1,02,877**	**-9,691**	**325**	**1,003**
EBITDA to Total Income (%)	**15**	**33**	**15**	**24**	**35**	**38**	**-10**	**2**	**0**
Interest and Finance Charges	60,032	28,678	56,180	15,602	1,342	63,617	9,642	1,759	206
Depreciation	12,749	14,533	23,854	9,736	1,863	25,489	19,786	106	47
Profit before Tax	**1,023**	**-11,973**	**-61,203**	**-214**	**7,613**	**13,771**	**-39,120**	**-1,539**	**750**
Provision for Taxation									
- Current Tax	194	-20	-	86	1,523	2,755		-	275
- Relating to prior years	-	-	-	-	-	-	-	-	-
-Minimum Alternate Tax Credit Entitlement	-194	3,505	-	4,000	-	-	-	-	-
- Deferred Tax (Net)	-311	-3,971	-	543	85	6,831	-	-	-12
- Fringe Benefit Tax	-	-	-	-	-	-	-	-	-
Net Profit before prior period	**1,334**	**-11,488**	**-61,203**	**-4,843**	**6,005**	**4,185**	**-39,120**	**-1,539**	**487**
Prior period items		150	-573	644					
Net profit	**1,334**	**-11,338**	**-61,775**	**-4,199**	**6,005**	**4,185**	**-39,120**	**-1,539**	**487**

Risks and Mitigation

At Lanco Infratech, we follow stringent risk management practices to ensure smooth functioning of the Company's business operations. The following are the probable risks and the mitigation plan for each risk:

S. No.	Risk Description	Mitigation Plan
1.	Project Implementation Delays	1. Regular meetings and close follow up for the agreed schedule. 2. Ensuring deployment of required resources and supply materials as per the project schedule. 3. Collection of adequate and accurate market data to ensure timely implementation.
2.	Recovery of receivables for power supplied	1. Regular follow-up with State Electricity Boards.
3.	Adequate and regular Fuel Supply (Coal and Gas)	1. Pursuing with MoPNG/ GAIL/ Govt. of India for allocation/supply of contracted quantity of gas. 2. Bridging deficit quantity of coal from e-auction/ open market/ imports. 3. Synchronizing commissioning of plants under construction with the availability of fuel.
4.	Delays in obtaining necessary clearances, land acquisition etc.	1. Regular follow up with concerned regulatory authorities providing them with project updates. 2. Regular interaction with local population and employing confidence building measures through CSR.
5.	Delay in Financial Closure for greenfield and brownfield projects	1. Regular follow up with financial institutions. 2. Follow up with regulatory authorities to expedite the grant of necessary project approvals.
6.	Power Evacuation Infrastructure	1. Follow-up with MoEF for necessary clearances. 2. Follow-up with PGICL for setting up pooling stations within the stipulated time. 3. Making interim arrangements for power evacuation using existing infrastructure until dedicated lines are set up. 4. Synchronizing commissioning of plants under construction with the availability of transmission corridor.
7.	Slowdown in real estate market	1. Increasing use of customer referrals to boost sales. 2. Using well established channel partners for marketing. 3. Organising site visits.
8.	Power plants operating at Suboptimal levels	1. Following regular maintenance schedule. 2. Providing necessary technical training to personnel and employing expert external assistance if needed.
9.	Open Capacities	1. Participation in all upcoming Case 1/ Case 2 bids.
10.	Higher Interest Cost	1. Exploring and availing cheaper source of funds. 2. Regular follow up with debtors and monitoring of cash flows.
11.	Loss on account of foreign exchange fluctuation	1. Review of forex exposure on a regular basis. 2. Hedging as per 'Lanco Group Forex Risk Management policy'.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Lanco Foundation is the CSR arm of the Lanco Group. The Foundation is currently operating in 14 locations across 12 states in India. Its programmes range across various sections of the society. Some of these are: Education, Health, Drinking Water and Disability.

Around 300,000 people are clear beneficiaries of the services of the Foundation during the year 2012-13. The beneficiaries reside in over 230 villages around Lanco's project areas and in other nearby sites. The Foundation runs these activities with the help of over 240 full-time employees. These together contribute to the success of all initiatives undertaken by the Foundation.

The workforce of Lanco Infratech across all its locations is fully engaged and committed towards volunteering for the CSR activities.

Some flagship programmes of this Foundation are:

1. EDUCATION

- Schools in and around the Lanco plant site are covered by way of basic and routine health check-up for all children up to primary education level.
- Yearly merit scholarships to shortlisted and selected students through a stringent selection process. This includes scholarships granted to students at the school level.
- School Kit distribution programme was started from last year from grade 6th to 10th.

2. HEALTH

- 17 Customized mobile vans visit two villages every day to provide healthcare support at door steps. These vans move around with an entire team of medical and para-medical staff and required equipment and medicines.
- One special camp on any medical intervention is held each year, such as eye camps, women & child and disability detection camps.

- Special health and development-related awareness campaigns are held at project sites all-round the year.

3. **SAFE DRINKING WATER**

- Supply of pure drinking water free of cost to nearly 60,000 beneficiaries through RO plants established in target villages.
- RO plants established at village level are run by dedicated Lanco Staff with the cooperation of communities and local bodies.
- New plants added each year, as per community needs

4. **ENVIRONMENT PROTECTION**

- World Environment Day

5. **DISABILITY REHABILITATION**

- Five dedicated Artificial Limb Fitting Centers (ALFCs) to produce aids and appliances have been established to provide support systems to the needy.
- Provision of a Physio Therapist to help in their quick rehabilitation.
- Special screening and distribution camps are held with the help of local communities, NGOs and local body's to enlist the needy.

6. **NEW INITIATIVES**

- Several new initiatives are planned and executed each year. The most recent one being the Home for the Aged in a district in Andhra Pradesh state. This houses about 200 inmates and ensures them a happy and peaceful living at this age.
- Support for emergency relief operation and humanitarian causes are held at several plants at regular intervals. Support also provided to encourage sports to individual and events.

THE PROGRESS AT A GLANCE (2012–13)

S. No.	Support services	Beneficiaries	Amount spent (₹ in Lakhs)
1.	Merit scholarships - students	1,412	864.60
2.	School Kit Distribution	25,377	1,018.90
3.	School health check up	8,062	48.10
4.	Special Eye Camp-IAEO	5,615	87.80
5.	Mobile health screening Van (LMHS) – People	1,74,172	748
6.	Health Awareness'	4,372	18.30
7.	Special health screening camps – People	3,688	63.40
8.	Drinking Water – People	60,072	913.90
9.	Water plant established – units	33	-
10.	Disability - persons benefitted	2,158	987
11.	World Environment Day	12 locations	46.40
12.	Elders' Day Celebration	6,380	231
13.	Blood Donation	1,409	14.60
14.	Education Support and Scholarship	551	338.50

Lanco Foundation is registered under the Indian Trust Act, 2000, and enjoys tax exemption, under section 12 (A) and 80 (G) of Income Tax Act 1961.

- Lanco Group is also a privileged member of the World Economic Forum. It has been acknowledged as an elite member of the Top 200 Global Growth Companies
- Is a member of the UN Global Compact
- Lanco Foundation was awarded 3 prestigious awards during the year :-
  - (i) Golden Peacock Award 2012 for CSR.
  - (ii) Blue Dart Global CSR Excellence & Leadership Award
  - (iii) 5th Construction Industry Development Council (CIDC) Vishwakarma Award 2013 in the category of "Social Development & Impact".

AWARDS

Lanco Tanjore:

- Received the Silver Award for Outstanding Achievement in Safety Management at the 11th Annual Greentech Safety Awards 2012 organised by Greetech Foundation in July 2012 at Srinagar.
- Received Safety Star Award- 2009 by National Safety Council, Tamil Nadu
- Received first prize in the Environment Protection and Management for the year 2011 in recognition to its contribution to cleaner production of electrical power as well as its commitment towards environmental pollution control and resource conservation from Ministry of Environment, Govt of Tamil Nadu
- Received good green governance award for the year 2012 in the infrastructure level 2 category for maintaining environmental standards by Srishti Publications.

Lanco Infratech:

- LITL EPC bagged Sarvashreshtha Suraksha Puraskar for its outstanding safety performance while executing construction works at Lanco Amarkantak Unit 3 & 4 from National Safety Council of India.
- Lanco World won the Prestigious In - House Communication Excellence (ICE) Award 2012 for the Best Cover Design (December - January ' 12 issue) amongst 675 National and Inter National entries at an event organised by Shailaja Nair Foundation.

Lanco Hills:

- Lanco Hills stall was adjudged best designed stall at CREDAI (Confederation of Real Estate Developers Association of India).
- Received CNBC Awaaz Real estate Award in the Luxury segment for the year 2012

Lanco Kondapalli:

- Won the prestigious Golden Peacock Award for Environment Management 2012 awarded by the World Environmental Foundation.

- Won the Energy Efficient unit award from CII. The award recognises excellence in energy management.
- Received 'Greentech Safety Award 2012' by the Greentech Foundation.

Udupi Power:

- Received certificate of Merit in Infrastructure /power Category – First place from CII
- Received certificate of Excellence in Large Scale Category – Third place (Among 76 Nominees) from CII
- Received Certificate of Commendations for its Meritorious Achievement from CII

Lanco Amarkantak:

- Won Silver Award for its outstanding achievement in Safety Management by Greentech Foundation

Lanco Babandh

- Won Gold award for significant efforts in CSR from the Greentech Foundation.

Lanco Vidarbha

- Received Gold Award for its Contribution in CSR from the Greentech Foundation

Lanco Solar

- Won Most Innovative product award 2012 from IESA Technovation

Lanco Foundation

- Won Blue Dart Global CSR Excellence & Leadership awards under the category "Best CSR Practices" by World CSR Congress, Asian Confederation of Businesses

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To
The Board of Directors of
LANCO INFRATECH LIMITED

We, the undersigned, in our respective capacities as the Managing Director and Chief Operating Officer Finance of Lanco Infratech Limited ("the Company"), to the best of our knowledge and belief certify that:

a) We have reviewed Financial Statements and the Cash Flow Statements for the Year Ended 31st March, 2013 and based on our knowledge and belief:

I. these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;

II. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing Accounting Standards, applicable Laws and Regulations.

b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the Financial Reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated, wherever applicable, to the Auditors and Audit Committee:

I. significant changes, if any, in internal control over financial reporting during the year;

II. significant changes, if any, in Accounting Policies made during the year and that the same have been disclosed in the notes to the financial statements; and

III. instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an Employee having a significant role in the Company's internal control system over financial reporting.

For **Lanco Infratech Limited**

Place: Gurgaon
Date : May 29, 2013

T. Adi Babu
Chief Operating Officer Finance

G. Venkatesh Babu
Managing Director

REPORT ON CORPORATE GOVERNANCE

The Company's Report on Corporate Governance for the year ended March 31, 2013 is presented by the Directors:

I. MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company has set for itself the-

Mission of "Development of Society through Leadership, Entrepreneurship and Ownership"

Vision of "Most Admired Integrated Infrastructure Enterprise"

The Company firmly believes that Mission and Vision can be realized only by adopting highest standards of Corporate Governance.

The Company is committed to conduct business in a manner which would result in enhancing value to all its Stakeholders. The Company believes that this value enhancement process is possible only by adhering to the principles of Corporate Governance. The Company has put in place systems and practices which enable it to conduct its business in line with the best practices elsewhere in the country and the world, but is also continuously striving to improve such systems and practices. The Company believes in the principles of transparency and disclosures to the extent these do not compromise on its competitiveness.

2. BOARD OF DIRECTORS ('THE BOARD')

(i) Composition of the Board

The Board of Directors has been constituted with an optimum mix of Executive, Non-Executive and Independent Directors to clearly demarcate functions of governance and management. As on date, the Board comprises of 10 (ten) Directors out of which 4 (four) are Executive Directors and 6 (six) are Non-Executive Directors. Out of the 6 (six) Non-Executive Directors, 5 (five) are Independent Directors making the current composition in conformity with the provisions of the Companies Act, 1956 and the Listing Agreements.

None of the Non-Executive Directors has any pecuniary relationship or transaction with the Company.

All the Directors have made adequate disclosures regarding their Directorships, Chairmanships and Memberships on the Board/ Committees of the Board of other Public Companies. By virtue of the disclosures made, none of the Directors hold Chairmanships of more than 5 (five) Committees and memberships of more than 10 (ten) Committees across all Public Companies.

(ii) Number of Memberships in Boards of other Public Companies and Chairmanships / Memberships in Committees of Boards of other Public Companies :

Name, Designation and Director Identification Number (DIN)	Category of Directorship	Number of Memberships in Boards of other Public Companies	Number of Chairmanships in Committees of Boards of other Public Companies	Number of Memberships of Committees of Boards of other Public Companies
Mr. L. Madhusudhan Rao Executive Chairman DIN: 00074790	Executive	14	2	1
Mr. G. Bhaskara Rao Executive Vice-Chairman DIN: 00075034	Executive	14	2	7
Mr. L. Sridhar Vice-Chairman DIN: 00075809	Non-Executive	14	0	1
Mr. G. Venkatesh Babu Managing Director DIN: 00075079	Executive	14	0	8
Mr. S.C. Manocha Deputy Managing Director DIN: 00007645	Executive	0	0	0
Dr. Pamidi Kotaiah Director DIN: 00038420	Non-Executive & Independent	8	3	3

Name, Designation and Director Identification Number (DIN)	Category of Directorship	Number of Memberships in Boards of other Public Companies	Number of Chairmanships in Committees of Boards of other Public Companies	Number of Memberships of Committees of Boards of other Public Companies
Mr. P. Abraham Director DIN: 00280426	Non-Executive & Independent	11	0	1
Dr. Uddesh Kumar Kohli Director DIN: 00183409	Non-Executive & Independent	6	3	5
Dr. B. Vasanthan Director DIN: 01621698	Non-Executive & Independent	2	2	0
Mr. R. Krishnamoorthy Director DIN: 05292993	Non-Executive & Independent	3	1	2

Note: Mr. L. Madhusudhan Rao, Mr. G. Bhaskara Rao and Mr. L. Sridhar are related inter-se.

(iii) Meetings and attendance during the year.

The Board meets at least once in a quarter, inter alia, to review quarterly results. The notice and agenda of the Board Meetings are served well in advance to accommodate addition of any other item(s) in the Agenda.

During the financial year 2012-13, 8 (eight) Board Meetings were held. These meetings were held on May 29, 2012, July 9, 2012, August 13, 2012, September 27, 2012, November 09, 2012, December 20, 2012, February 12, 2013 and March 15, 2013.

The attendance of each Director at the Board Meetings during the financial year 2012-13 as well as at last Annual General Meeting is as under:

Name of the Director	Number of Board Meetings held	Number of Board Meetings attended	Attendance at the last Annual General Meeting*
Mr. L. Madhusudhan Rao	8	8	Yes
Mr. G. Bhaskara Rao	8	8	Yes
Mr. L. Sridhar	8	7	Yes
Mr. G. Venkatesh Babu	8	8	Yes
Mr. S.C. Manocha	8	8	Yes
Dr. Pamidi Kotaiah	8	8	Yes
Mr. P. Abraham	8	4	Yes
Dr. Uddesh Kumar Kohli	8	8	Yes
Dr. B. Vasanthan	8	7	Yes
Mr. R. Krishnamoorthy (Appointed w.e.f. May 29, 2012)	8	6	Yes

*Last Annual General Meeting was held on September 27, 2012.

3. COMMITTEES OF BOARD

In compliance with the Listing Agreements, the Board has set up committees assigning specific roles and responsibilities by delegating its power to ensure speedy resolution of diverse issues.

(I) Audit Committee

a. Brief description of Terms of Reference

The Terms of Reference of Audit Committee include the following scope and responsibilities:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is true and fair, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of statutory auditors, internal auditors and cost auditors and fixation of their audit fees.
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing with management the quarterly financial results before submission to the Board for approval.
- Reviewing with management, the annual financial statements before submission to the Board for approval.

- Reviewing with the management, performance of Statutory Auditors, Cost Auditors and Internal Auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors regarding any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors and cost auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern, with respect to the financial statements of the Company.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the Risk Assessment and Management measures.
- Reviewing with the management, the statement of uses/application of funds raised through Public Issue, the statement of funds utilised for purposes other than those stated in the offer document/prospectus and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing of Financial Statements of the Subsidiaries and Investments made by them.
- Reviewing of Management Discussion and Analysis of Financial Condition and Results of Operations.
- Reviewing of Status Reports on Projects under implementation by the Company and its Subsidiaries.
- Reviewing of Status Reports on Projects under implementation through Special Purpose Vehicles (SPVs).
- Reviewing of Reports on Treasury Management of the Company.
- Reviewing of statement of significant related party transactions.
- Reviewing of Internal Audit Reports relating to Internal Control Weaknesses.
- Any other item considered appropriate or necessary to have effective oversight of financial reporting.
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.

b. Composition

The Audit Committee comprises of 3 (three) Independent Directors and 1 (one) Executive Director, the Chairman being an Independent Director. The members of the Audit Committee are below:

Dr. Pamidi Kotaiah	Chairman
Dr. Uddesh Kumar Kohli	Member
Mr. R. Krishnamoorthy	Member
Mr. G. Bhaskara Rao	Member

c. Meetings and Attendance during the year

During the financial year 2012-13, 8 (eight) Meetings were held. These meetings were held on May 22, 2012, May 29, 2012, July 09, 2012, August 13, 2012, November 09, 2012, December 20, 2012, February 11, 2013, and March 15, 2013.

The attendance of the members during the financial year 2012-13 is given below:

Name of the Director	Number of Meetings held	Number of Meetings attended
Dr. Pamidi Kotaiah	8	8
Dr. Uddesh Kumar Kohli	8	8
Mr. R. Krishnamoorthy (Appointed with effect from May 29, 2012)	8	5
Mr. G. Bhaskara Rao	8	8

(ii) Remuneration Committee

a. Brief description of Terms of Reference

The terms of reference of the Remuneration Committee inter-alia include the determination of remuneration packages for the Executive and Non-Executive Directors of the Company.

b. Composition

The Remuneration Committee comprises of 3 (three) Non-Executive Independent Directors as below:

Dr. B. Vasanthan	Chairman
Dr. Pamidi Kotaiah	Member
Mr. R. Krishnamoorthy	Member

c. Meetings and Attendance during the year

During the financial year 2012-13, 2 (two) meetings were held. These meetings were held on July 09, 2012 and February 12, 2013.

The attendance of the Members during the financial year 2012-13 is given below:

Name of the Director	Number of Meetings held	Number of Meetings attended
Dr. B. Vasanthan	2	1
Dr. Pamidi Kotaiah	2	2
Mr. R. Krishnamoorthy	2	1

Remuneration Policy

Remuneration Committee recommends the remuneration for the Executive Directors of the Company. Such recommendation is then approved by the Board and Shareholders. Prior approval of shareholders is also obtained in case of remuneration to Non-Executive Directors.

The remuneration paid to Executive Directors is determined keeping in view the industry benchmark, the relative performance of the Company to the industry performance, and macro-economic review on remuneration packages of CEOs of other organisations. Perquisites and other allowances are paid according to the policy of the Company as applicable to employees.

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as Independent Professionals / Business Executives. Independent Non-Executive Directors receive sitting fees for attending the meeting of the Board and Board Committees.

d. Details of Remuneration to all the Directors for the financial year 2012-13

(₹ in Lakhs)

Name of the Director	Salary	Perquisites and Allowances	Commission/ Performance Bonus	Sitting Fees	Number of Stock Options granted	Term of appointment ending on
Mr. L. Madhusudhan Rao	237.50	107.52	Nil	Nil	Nil	31.03.2016
Mr. G. Bhaskara Rao	237.50	111.36	Nil	Nil	Nil	31.03.2016
Mr. G. Venkatesh Babu	250.00	130.66	18.75	Nil	Nil	23.06.2016
Mr. S.C. Manocha	186.87	Nil	10.50	Nil	Nil	13.08.2015
Mr. L. Sridhar	Nil	Nil	Nil	2.20	Nil	NA
Dr. Pamidi Kotaiah	Nil	Nil	Nil	4.20	Nil	NA
Mr. P. Abraham	Nil	Nil	Nil	0.80	Nil	NA
Dr. Uddesh Kumar Kohli	Nil	Nil	Nil	3.60	Nil	NA
Dr. B. Vasanthan	Nil	Nil	Nil	2.40	Nil	NA
Mr. R. Krishnamoorthy	Nil	Nil	Nil	2.40	Nil	NA

e. Shareholding of Non-Executive Directors as on March 31, 2013

S. No.	Name of Director	Number of shares held
1.	Mr. L. Sridhar	4,51,43,587
2.	Dr. Pamidi Kotaiah	88,092
3.	Mr. P. Abraham	5,170
4.	Dr. Uddesh Kumar Kohli	1,69,050
5.	Dr. B. Vasanthan	23,170
6.	Mr. R. Krishnamoorthy	NIL

(iii) Shareholders/Investors Grievance Committee

a. Brief description of Terms of Reference

The Committee is responsible, inter alia, for redressal of shareholders' complaints, approval of share transfers and transmissions, issue of share certificates and duplicate share certificates, liasioning with the registrars and share transfer agents etc.,

b. Composition

The Committee comprises of 2 (two) Non-Executive Directors and 1 (one) Executive Director, the Chairman being a Non-Executive Director. The members of the Committee are below:

Mr. L. Sridhar	Chairman
Mr. G. Venkatesh Babu	Member
Dr. B. Vasanthan	Member

c. Meetings and Attendance during the year

During the financial year 2012-13, 4 (four) meetings were held. These meetings were held on May 29, 2012, August 13, 2012, November 09, 2012 and February 12, 2013.

The attendance of the Members during the financial year 2012-13 is given below:

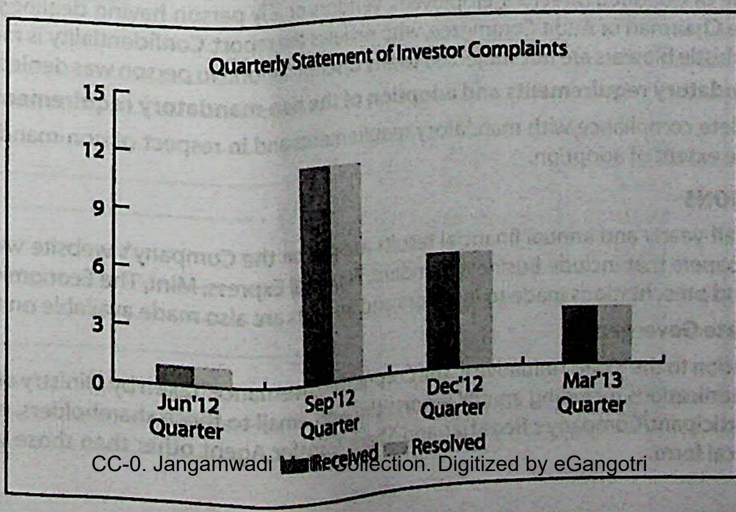
Name of the Director	Number of Meetings held	Number of Meetings attended
Mr. L. Sridhar	4	4
Mr. G. Venkatesh Babu	4	4
Dr. B. Vasanthan	4	3

d. Name and Designation of Compliance Officer

Mr. A. Veerendra Kumar, Company Secretary is the Compliance Officer of the Company.

e. Details of Complaints/ Requests received, resolved and pending during the Financial Year 2012-13

During the Quarter	Received	Resolved	Pending
01.04.2012 - 30.06.2012	1	1	0
01.07.2012 - 30.09.2012	11	11	0
01.10.2012 - 31.12.2012	6	6	0
01.01.2013 - 31.03.2013	3	3	0
Total	**21**	**21**	**0**



4. GENERAL BODY MEETINGS

(i) Location, Date and Time of Last three Annual General Meetings and Special Resolutions passed thereat:

Year	Location	Date & Time	Special Resolutions passed, if any
2011-12	Marigold Hotel by Greenpark, Greenlands, Begumpet, Hyderabad – 500016, Andhra Pradesh, India	September 27, 2012 3.30 p.m.	No Special Resolution passed
2010-11	Green Park Hotel, Greenlands, Begumpet, Hyderabad – 500 016, Andhra Pradesh, India	September 30, 2011 3.30 p.m.	No Special Resolution passed
2009-10	Green Park Hotel, Greenlands, Begumpet, Hyderabad – 500 016, Andhra Pradesh, India	July 31, 2010 3.00 p.m.	1. Modification of Employees Stock Option Plan, 2006 to fix the price of options (each option having a right to convert the same into one equity share of ₹ 1/- of the Company) at a price of ₹ 0.243 per option. Further, authorisation to Board to utilise in the new scheme "Employee Stock Option Scheme – 2010" and/ or any other new employee stock option scheme, the unutilised shares lying with LCL Foundation (Trust). 2. Resolution u/s 81(1A) - for authorisation to the Board to create, grant, offer, issue and allot to permanent employees and Directors of the Company, Options exercisable by the Employees under a Scheme titled "Employee Stock Option Scheme – 2010" to subscribe to such number of equity shares and/or equity linked instruments which could result in employees in getting equity shares from the Trust of the Company in aggregate 3,80,76,445 equity shares of ₹ 1/- each. 3.Resolution u/s 81(1A) - for authorisation to the Board to extend the benefits of the "Employee Stock Option Scheme-2010" to the permanent employees and Directors of Subsidiary Companies.

(ii) Passing of Special Resolution by Postal Ballot

No Special Resolution was passed by postal ballot during the year 2012-13. No Special Resolution is proposed to be conducted through Postal Ballot.

5. DISCLOSURES

(i) Materially Significant Related Party Transactions

There are no materially significant related party transactions having potential conflicts with the interests of the Company at large.

(ii) Compliances

The Company has duly complied with all rules, regulations, terms of the agreements prescribed/entered with Stock Exchange(s), SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

(iii) Whistle Blower Mechanism

With a view to implement the highest ethical standards in the course of business, the Company has formed and adopted a whistle blower policy which provides a platform for reporting concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

(iv) Compliance with mandatory requirements and adoption of the non-mandatory requirements

There has been complete compliance with mandatory requirements and in respect of non-mandatory requirements, disclosures have been made to the extent of adoption.

6. MEANS OF COMMUNICATIONS

The Company's quarterly, half-yearly and annual financial results are put on the Company's website www.lancogroup.com. The results are also published in newspapers that include Business Standard, Financial Express, Mint, The Economic Times, The Hindu and Vaartha. The official news releases and presentations made to investors and analysts are also made available on the website of the Company.

Green Initiative in Corporate Governance

In order to show its contribution to the "Green initiative in the Corporate Governance" taken by Ministry of Corporate Affairs, the Company has been sending all communications including annual reports through email to those shareholders, who have registered their e-mail id with their depository participant/Company's Registrar and Share Transfer Agent other than those who have specifically chosen to receive documents in physical form.

Further, the members are requested to register and update their e-mail addresses with their Depository Participant to ensure that the Annual Report and other documents reach them on their preferred e-mail.

7. GENERAL SHAREHOLDERS INFORMATION

(i) Annual General Meeting

Date and Time	September 27, 2013 at 3.30 p.m.
Venue	Marigold Hotel By Greenpark, Greenlands, Begumpet, Hyderabad – 500 016, Andhra Pradesh, India

(ii) Financial Calendar for the Year 2013-14 (Tentative)

Particulars	Tentative Schedule
Financial reporting for the quarter ending June 30, 2013	On or before August 14, 2013
Financial reporting for the half-year ending September 30, 2013	On or before November 14, 2013
Financial reporting for the quarter ending December 31, 2013	On or before February 14, 2014
Financial reporting for the year ending March 31, 2014	On or before May 30, 2014
Annual General Meeting for the year ending March 31, 2014	Before end September, 2014

(iii) Book Closure Dates

September 20, 2013 to September 27, 2013 (both days inclusive)

(iv) Dividend Payment Date

Not Applicable.

(v) Listing on Stock Exchanges

The Equity Shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

The Company has paid the listing fees for the year 2013-14 to both the stock exchanges. There are no arrears of listing fees with any of the said stock exchanges till date.

(vi) Stock Code

Exchange	Code
National Stock Exchange of India Limited	Stock Code: LITL
BSE Limited	Stock Code: LITL Scrip Code: 532778
Demat ISIN Number – for NSDL / CDSL	INE785C01048

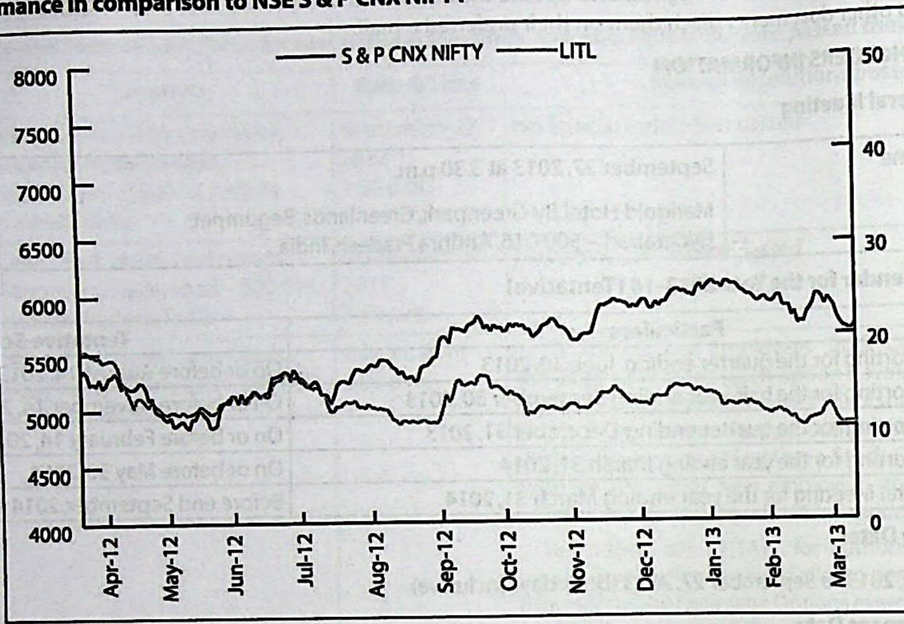
(vii) Stock Market Price Data relating to equity shares listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

The monthly high and low stock quotations of equity shares of the Company on NSE and BSE during the year 2012-13 was as under:

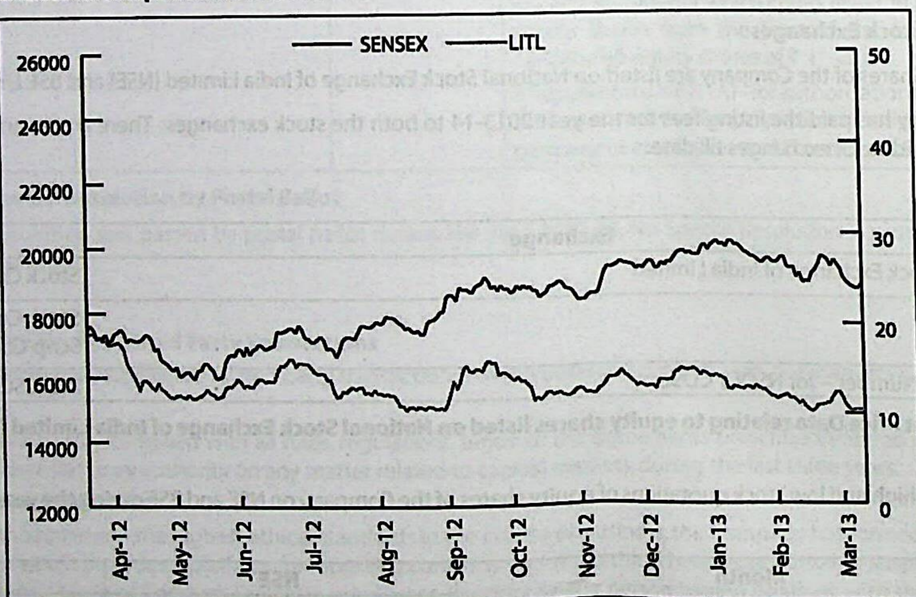
(In ₹)

Month	NSE		BSE	
	HIGH	LOW	HIGH	LOW
April, 2012	19.40	12.45	19.40	12.45
May, 2012	14.35	11.65	14.29	11.68
June, 2012	15.05	11.40	15.04	11.75
July, 2012	16.80	12.00	16.78	12.02
August, 2012	13.50	10.45	13.45	10.49
September, 2012	16.30	10.60	16.05	10.60
October, 2012	16.25	11.25	16.25	11.30
November, 2012	14.50	11.70	14.46	11.76
December, 2012	15.15	12.50	15.10	12.50
January, 2013	15.20	12.25	15.22	12.20
February, 2013	13.25	10.20	13.24	10.26
March, 2013	12.60	10.05	14.25	10.10

(viii) Stock Performance in comparison to NSE S & P CNX NIFTY



Stock Performance in comparison to BSE Sensex



(ix) Registrar & Share Transfer Agent

M/s. Aarthi Consultants Private Limited
1-2-285, Domalguda, Hyderabad – 500 029,
Andhra Pradesh, India
Phone: +91-40-2763 8111, 2763 4445
Fax : +91-40-27632184
E-mail: info@aarthiconsultants.com
Website: www.aarthiconsultants.com

(x) Share Transfer System

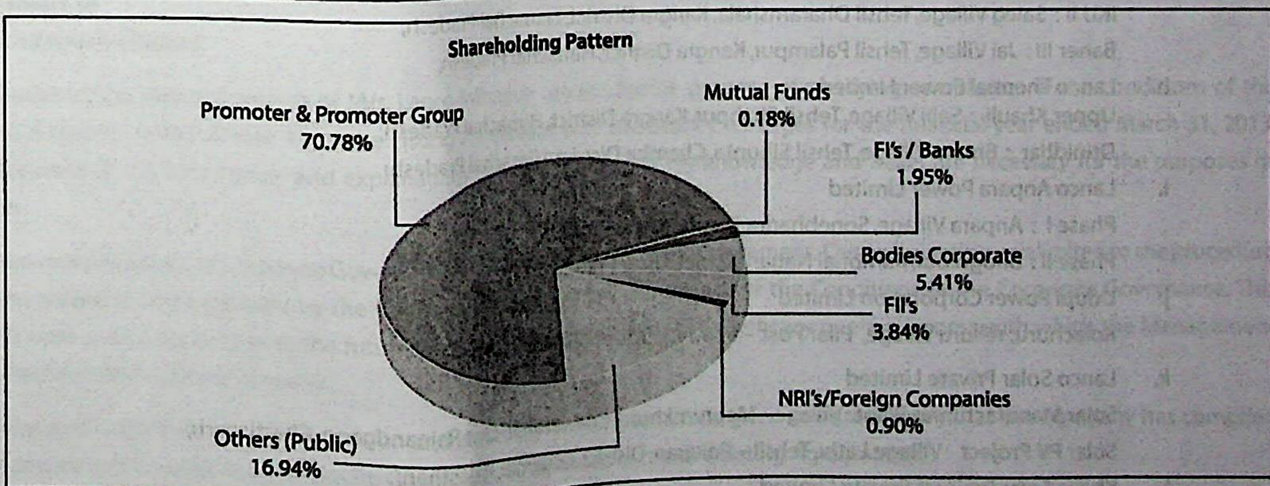
The shareholders are advised to contact the Registrar and Share Transfer Agent at their address for effecting transfer of shares.

(xi) Distribution of Shareholding as on March 31, 2013

Nominal Value of Shareholding (in ₹)	No. of Members	Percentage	No. of Shares	Percentage of total
Up to 500	1,66,150	61.62	3,62,46,555	1.51
501 – 1000	47,303	17.54	4,00,38,077	1.66
1001 – 2000	27,597	10.23	4,38,67,979	1.82
2001 – 3000	9,120	3.39	2,38,80,732	0.99
3001 – 4000	4,470	1.66	1,63,16,535	0.68
4001 – 5000	3,989	1.48	1,90,63,164	0.79
5001 – 10000	6,075	2.25	4,58,39,497	1.90
10001 and above	4,946	1.83	2,18,25,52,381	90.65
Total	**2,69,650**	**100.00**	**2,40,78,04,920**	**100.00**

Shareholding Pattern of the Company as on March 31, 2013

Category of Shareholder	Number of Shares held	Percentage of Shareholding
Promoter and Promoter Group	1,70,43,46,830	70.78
Mutual Funds	42,45,298	0.18
Financial Institutions(FI's)/Banks	4,69,43,426	1.95
Bodies Corporate	13,02,96,353	5.41
Foreign Institutional Investors(FIIs)	9,25,42,132	3.84
Non-Resident Indians(NRI's)/Foreign Companies	2,14,61,357	0.90
Others (Public)	40,79,69,524	16.94
Total	**2,40,78,04,920**	**100.00**



(xii) Dematerialisation of Shares and Liquidity

About 99.99% of the outstanding equity has been in dematerialised form as on March 31, 2013.

(xiii) Outstanding Convertible Instruments

As of March 31, 2013, there are no outstanding convertible instruments.

(xiv) Equity Shares in Suspense Account

The disclosure as required under Clause 5A of the Listing Agreement is given below:

a. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: 43 shareholders and outstanding Equity Shares are 31,900.

b. Number of shareholders who approached issuer for transfer of shares from suspense account during the year: 1

c. Number of shareholders to whom shares were transferred from suspense account during the year: 1

d. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: 42 shareholders and outstanding Equity Shares are 31,040.

The voting rights on these equity shares shall remain frozen till the rightful owner of such shares claims the shares.

(xv) Plant Locations of Lanco Infratech Limited

a. Wind Energy Project at Chikkasidavanahalli Village, Chitradurga District, Karnataka;

b. Wind Energy Project at Devarkulam and Uthumalai, Tirunelveli District, Tamilnadu;

c. Solar Energy Project at Bhadrada Village, Tehsil Sami, Patan District, Gujarat;

d. Solar Energy Project at Chadiyana Village, Tehsil Sami, Patan District, Gujarat;

e. Solar Energy Project at Charanka Village, Tehsil Saltanpur, Patan District, Gujarat;

Plant Locations of Subsidiary Companies

a. Lanco Kondapalli Power Limited
Kondapalli IDA, Kondapalli – 521 228, Ibrahimpatnam Mandal, Krishna District, Andhra Pradesh;

b. Lanco Tanjore Power Company Limited
Karuppur Village, Thiruvidaimaruthur Taluk, Tanjore District, Tamil Nadu;

c. Lanco Amarkantak Power Limited
Pathadi Village, P.O.-Tilkeja, Korba District, Chattisgarh - 495 667;

d. Lanco Mandakini Hydro Power Private Limited
Village & Post-Rampur, Rudraprayag District, Uttarakhand - 246471;

e. Lanco Teesta Hydro Power Private Limited
Teesta VI HEP, Subin Khor, South Sikkim;

f. Lanco Budhil Hydro Power Private Limited
Village Kharamukh, P.O. Garola, Teh. Bharmour, District Chamba, Himachal Pradesh – 176 309;

g. Lanco Hydro Power Limited
IKU II : Saleg Village, Tehsil Dharamshala, Kangra District, Himachal Pradesh;
Baner III : Jai Village, Tehsil Palampur, Kangra District, Himachal Pradesh;

h. Lanco Thermal Power Limited
Upper Khauli : Salli Village, Tehsil Shahpur, Kangra District, Himachal Pradesh;
Drinidhar : Bhiora Village, Tehsil Sihunta, Chamba District, Himachal Pradesh;

i. Lanco Anpara Power Limited
Phase I : Anpara Village, Sonebhadra District, Uttar Pradesh;
Phase II : Bhognipur, Rambhai Nagar District, Uttar Pradesh;

j. Udupi Power Corporation Limited
Kolachuru, Yelluru Village, Pilar Post – 574 113, Udupi District, Karnataka;

k. Lanco Solar Private Limited
Solar Manufacturing Plant : Village - Mehrumkhurd, Chawardhal, Dist Rajnandgaon, Chattisgarh;
Solar PV Project : Village Lathi, Tehsil – Pokaran, District Jaisalmer, Rajasthan;

l. Khaya Solar Projects Private Limited
Askandra Village, Nachna – II Tehsil Nachana, Jaisalmer District, Rajasthan;

m. Diwakar Solar Projects Limited
Askandra Village, Nachna – II Tehsil Nachana, Jaisalmer District, Rajasthan;

(xvi) Address for Correspondence

Registered Office:
Plot No. 4, Software Units Layout, HITEC City, Madhapur, Hyderabad – 500 081, Andhra Pradesh, India.
Phone: +91-40-40090400, Fax: +91-40-23116127, E-mail: complianceofficer.litl@lancogroup.com, Website: www.lancogroup.com

ANNUAL DECLARATION BY CEO

Pursuant to Clause 49(I)(D)(ii) of the Listing Agreement

As the Managing Director of Lanco Infratech Limited, as required by Clause 49(I)(D)(ii) of the Listing Agreement executed with the National Stock Exchange of India Limited and BSE Limited, I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct and Ethics for the Financial Year 2012-13.

For LANCO INFRATECH LIMITED

G. Venkatesh Babu
Managing Director

Place: Gurgaon
Date: April 1, 2013

II. NON-MANDATORY REQUIREMENTS

The Chairman of the Board

The Chairman of the Board is an Executive Chairman and hence the provisions for non-executive Chairman are not applicable. All other requirements of the Board during the year have been complied with.

Remuneration Committee

All the requirements of the Remuneration Committee during the year have been complied with.

Whistle Blower Policy

The Company has established a Whistle Blower mechanism and has adopted a Whistle Blower Policy, the details of which are given under Disclosures forming part of this Report.

Code for prevention of Insider Trading

The Company have comprehensive guidelines on prevention of Insider Trading, known as 'the Lanco Infratech Limited Code of Conduct for Prevention of Insider Trading', which is in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 1992.

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To the Members of
M/s. Lanco Infratech Limited

We have examined the relevant records of M/s. Lanco Infratech Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges for the financial year ended March 31, 2013. We have obtained all the information and explanations which to the best of my knowledge and belief are necessary for the purposes of Certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the Conditions of the Corporate Governance. This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the said Listing Agreement(s).

For KBG Associates
Company Secretaries

Srikrishna S Chintalapati
Partner
CP#6262

Place: Hyderabad
Date: July 22, 2013

ABRIDGED
FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT ON ABRIDGED FINANCIAL STATEMENTS

To

The Board of Directors of **Lanco Infratech Limited**

1. The accompanying abridged financial statements, which comprise the abridged Balance Sheet as at March 31, 2013, abridged Profit and Loss Account and abridged Cash Flow Statement for the year then ended and related notes and other explanatory information are derived from the audited financial statements of Lanco Infratech Limited ('the Company') as at and for the year ended March 31, 2013. We expressed a qualified audit opinion on those financial statements in our report dated May 29, 2013 (see below). Those financial statements and the abridged financial statements do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

2. The abridged financial statements do not contain all the disclosures required by the accounting principles generally accepted in India, including Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") applied in the preparation of the audited financial statements of the Company. Reading the abridged financial statements, therefore, is not a substitute for reading the audited financial statements of the Company.

Management's Responsibility for the Financial Statements

3. Management is responsible for the preparation of a summary of the audited financial statements on the basis described in Note 2.

Auditor's Responsibility

4. Our responsibility is to express an opinion on the abridged financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

5. In our opinion, the abridged financial statements derived from the audited financial statements of the Company for the year ended March 31, 2013 are a fair summary of those financial statements, on the basis described in Note 2. However, the abridged financial statements are unadjusted to the equivalent extent as the audited financial statements of the Company as at and for the year ended March 31, 2013.

   The non-adjustment of the audited financial statements is described in our qualified audit opinion in our report dated May 29, 2013. Our qualified audit opinion is based on the following facts.

   a) Reorganisation of investments has been undertaken by the Company during the previous year as described in Note 22. The Company's investments in various subsidiaries and associates was transferred to wholly owned step down subsidiaries and to an associate of wholly owned step down subsidiary aggregating to ₹ 6,81,550.87 lakhs that require lenders and customer approvals. Management having received many such approvals is confident of receiving balance approvals from lenders and customer in near future and has taken the effect of those transfers while preparing these financial statements. In case of any of these residual approvals are not granted, the management will have to revisit the structure and the consequential impact would then be recorded in these financial statements, pending the final outcome of residual lenders and customer approvals, we are unable to comment on the consequential effects of the foregoing should such approval not be received on these financial statements. This had also been qualified in our audit report for the year ended March 31, 2012.

   b) Excess managerial remuneration paid by the company during the year as described in Note 26, managerial remuneration amounting to ₹ 1,506.30 lakhs was paid in excess of the permissible remuneration under Schedule XIII of the Companies Act, 1956 during the year ended March 31, 2013. The Company proposes to apply to the Central Government for the approval of such excess remuneration and is also subject to the approval of the members. Pending the final outcome of this matter, we are unable to comment on consequential adjustments, if any, required in the accompanying financial statements in this regard.

   Our qualified audit opinion states that, except for the effects of the described matters, those financial statements give a true and fair view of the state of affairs of the Company as at March 31, 2013, and of its results of operations and its cash flows for the year then ended in accordance with the accounting principles generally accepted in India.

Emphasis of Matters

6. Without qualifying our opinion on the audited financial statements in our audit report dated May 29, 2013, Emphasis of matter have been included and those were based on the following facts.

   a) In forming our opinion on the financial statements, we have considered the adequacy of disclosure made in Note 24, concerning the Company's ability to continue the operations for the foreseeable future. During the year, the Company has loans aggregating ₹ 33,361.92 lakhs falling due over next twelve months period and also unpaid dues of ₹ 61,591.44 lakhs of the Company as at March

31, 2013. This apart the Company has commitments to support its various ongoing projects. These matters require the Company to garner such additional cash flows to fund the operations as well as investment obligations to ongoing projects. However the accompanying financial statements have been prepared under the assumption, considering the management assessment and plan to get requisite funding from various other sources as contemplated. These submissions and assertions by the management envisage that the Company has the ability to garner the required cash flows. Relying on the above, no adjustments have been made in these financial statements.

b) Note 25 of the accompanying financial statements, in relation to the carrying value of assets held by Lanco Anpara Power Limited (LAnPL), a step down subsidiary of the Company. Though LAnPL has been incurring losses ever since the commencement of commercial operations and accumulated losses incurred so far eroded the net worth significantly, taking into consideration LAnPL management's assessment of the situation including efforts towards seeking revision in tariff etc pending before the regulators, the management of the Company is of the view that the carrying value of Assets of LAnPL is realizable at the value stated therein. Accordingly no adjustments have been made in the accompanying financial statements.

Our opinion is not qualified in the above matters.

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No. 000511S

N. Sri Krishna
Partner
Membership No. 26575

Place : Chennai
Date : July 22, 2013

Independent Auditor's Report

To

The Members of **Lanco Infratech Limited**

Report on Financial Statements

We have audited the accompanying financial statements of Lanco Infratech Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

a) *Attention is invited to Note 48 of the accompanying financial statements, which explains the reorganising undertaken by the management during the year ended March 31, 2012. The Company's investment as of March 30, 2012 in various subsidiaries and associates was transferred to wholly owned step down subsidiaries and to an associate of wholly owned step down subsidiary aggregating to ₹ 6,81,550.87 lakhs that require lenders and customer approvals. Management having received many such approvals is confident of receiving balance approvals from lenders and customer in near future and has taken the effect of these transfers while preparing financial statements. In case of any of these residual approvals are not granted, the management will have to revisit the structure and the consequential impact would then be recorded in financial statements, pending the final outcome of residual lenders and customer approvals, we are unable to comment on the consequential effects of the foregoing should such approval not be received on these financial statements. This had also been qualified in our audit report for the year ended March 31, 2012.*

b) *Attention is invited to Note 52 of the accompanying financial statements, which explain the payment of managerial remuneration amounting to ₹ 1,506.30 lakhs was paid in excess of the permissible remuneration under Schedule XIII of the Companies Act, 1956, during the year ended March 31, 2013. The Company proposes to apply to the Central Government for the approval of such excess remuneration and is also subject to the approval of the members. Pending the final outcome of this matter, we are unable to comment on consequential adjustments, if any, required in the accompanying financial statements in this regard.*

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) *in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;*

b) *in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and*

c) *in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.*

Emphasis of Matter

Without qualifying our opinion, your attention is invited to

a) In forming our opinion on the financial statements, we have considered the adequacy of disclosure made in Note 50 of the accompanying financial statements, as at March 31, 2013, concerning the Company's ability to continue the operations for the foreseeable future. During

the year, the Company has loans aggregating to ₹ 33,361.92 lakhs falling due over next twelve months period and also unpaid dues of ₹ 61,591.44 lakhs of the Company as at March 31, 2013. This apart the Company has commitments to support its various ongoing projects. These matters require the Company to garner such additional cash flows to fund the operations as well as investment obligations to ongoing projects. However the accompanying financial statements have been prepared under the assumption, considering the management assessment and plan to get requisite funding from various other sources as contemplated. These submissions and assertions by the management envisage that the Company has the ability to garner the required cash flows. Relying on the above, no adjustments have been made in the accompanying financial statements.

b) Note 51 to the accompanying financial statements, in relation to the carrying value of assets held by Lanco Anpara Power Limited (LAnPL), a step down subsidiary of the Company. Though LAnPL has been incurring losses ever since the commencement of commercial operations and accumulated losses incurred so far eroded the net worth significantly, taking into consideration LAnPL management's assessment of the situation including efforts towards seeking revision in tariff etc. pending before the regulators, the management of the Company is of the view that the carrying value of Assets of LAnPL is realizable at the value stated therein. Accordingly no adjustments have been made in the accompanying financial statements.

Our opinion is not qualified in the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required under provisions of section 227(3) of the Companies Act, 1956, we report that:

   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in subsection (3C) of section 211 of the Act;

   e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Brahmayya & Co
Chartered Accountants
Firm Registration Number: 000511S

N. Sri Krishna
Partner
Membership Number: 26575

Place: Gurgaon
Date: May 29, 2013

Annexure to the Independent Auditor's Report to the Members of Lanco Infratech Limited

Referred to in Clause (1) of "*Report on Other Legal and Regulatory Requirements*" paragraph of the Independent Auditor's Report of even date

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) Fixed assets have been physically verified by the management during the year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

   (c) There was no substantial disposal of fixed assets during the year.

2. (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them.

   (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

3. (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (a) to (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.

   (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (e) to (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company in respect of these areas.

5. (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.

   (b) In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

9. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it *except delays in few cases.*

   (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

   (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	373.63	Financial year 2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	10.72	Financial year 2009-10	Commissioner of Income Tax (Appeals)
Andhra Pradesh Tax on Entry of Goods Act, 2001	Entry Tax	1.83	Financial Year 2007-08	Commercial Tax Officer, Begumpet
Andhra Pradesh General Sales Tax Act, 1956	Sales Tax	2.68	Financial Year 2001-02	The Sales Tax Appellate Tribunal, Hyderabad
Andhra Pradesh Value Added Tax Act, 2005	Sales Tax	1.29	Financial Year 2009-10	The Appellate Deputy Commissioner CT, Panjagutta-Hyderabad
Tamil Nadu Value Added Tax, 2006	Sales Tax (including penalty)	38.26	Financial Year 2007-08	The Appellate Deputy Commissioner CT, Chennai
Tamil Nadu Value Added Tax, 2006	Sales Tax	88.64	Financial Year 2010-11	Joint Commissioner (North) Chennai
The Finance Act, 1994	Service Tax	13.76	April 2005 to March 2008	Customs, Central Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	15.91	June 2005 to August 2008	Customs, Central Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	1,292.36	June 2007 to March 2008	Customs, Central Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	385.92	June 2007 to July 2008	Customs, Central Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	1,547.37	April 2005 to March 2008	Customs, Central Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	37.80	July 2008 to September 2009	Customs, Central Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	657.84	April 2008 to June 2009	Customs, Central Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	897.86	July 2009 to March 2010	Customs, Central Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	11.16	October 2009 to February 2011	Customs, Central Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	6,442.49	April 2010 to March 2011	Commissioner of Central Excise

10. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

11. *According to the records of the Company examined by us and the information and explanation given to us, the Company has not paid principal, interest and other dues of ₹ 32,444.38 lakhs, ₹ 4,349.62 lakhs and ₹ 24,797.44 lakhs respectively to banks and financial institutions as at the balance sheet date. ₹ 1,233.15 lakhs, ₹ 1,990.80 lakhs and ₹ 12,341.71 lakhs pertaining to principal, interest and other dues have been paid subsequently.*

12. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

15. According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima facie prejudicial to the interest of the Company.

16. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company taking cognizance of the extension of time granted to parties from whom amounts were due in relation of reorganisation mentioned in Note 48 of the accompanying financial statements and placing reliance on the reasonable assumptions made by the Company for the classification of long-term and short-term usages of funds, we are of the opinion that prima facie, no funds raised on short-term basis have been used for long-term investment.

18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.

19. The Company did not have any outstanding debentures during the year.

20. The Company has not raised any money by public issues and accordingly, provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Brahmayya & Co
Chartered Accountants
Firm Registration Number: 000511S

N. Sri Krishna
Partner
Membership Number: 26575

Place: Gurgaon
Date: May 29, 2013

Abridged Balance Sheet as at March 31, 2013

(₹ in Lakhs)

		March 31, 2013	March 31, 2012
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Paid-up Share Capital		23,924.07	23,896.51
(i) Equity			
(b) Reserves and Surplus		1,91,244.07	1,88,932.12
(i) Capital Reserves (Including Share Options Outstanding Account)		145.87	145.87
(ii) Revenue Reserves		1,47,909.60	1,46,575.16
(iii) Surplus		3,63,223.61	3,59,549.66
2. Non-current liabilities		1,08,766.72	98,874.83
(a) Long-term Borrowings		5,89,014.63	5,96,513.70
(b) Other Long-term Liabilities		5,755.18	4,996.94
(c) Long-term Provisions		7,03,536.53	7,00,385.47
3. Current Liabilities		3,06,073.47	2,40,409.43
(a) Short-term Borrowings		2,56,682.64	2,76,242.82
(b) Trade Payables		3,48,576.01	3,84,340.65
(c) Other Current Liabilities		4,549.28	4,751.66
(d) Short-term Provisions		9,15,881.40	9,05,744.56
TOTAL		19,82,641.54	19,65,679.69
II. ASSETS			
4. Non-current assets			
(a) Fixed assets			
(i) Tangible Assets (Original cost less depreciation)		1,11,282.57	1,14,307.41
(ii) Intangible Assets (Original cost less amortisation)		746.40	958.00
(iii) Capital Work-in-Progress		5,541.11	2,438.52
(b) Non-current Investments		7,29,733.20	6,55,026.79
(Book Value of Quoted Investments ₹ 646.65 Lakhs {Previous year ₹ 646.65 Lakhs})			
(Market Value of Quoted Investments ₹ 642.47 Lakhs { Previous year ₹ 672.13 Lakhs})			
(c) Deferred Tax Assets (Net)		1,775.44	1,464.15
(d) Long-term Loans and Advances		1,20,825.71	1,98,790.62
(e) Other Non-Current Assets		42,896.99	39,260.29
		10,12,801.42	10,12,245.78
5. Current assets			
(a) Inventories		1,31,139.73	99,902.49
(b) Trade Receivables		2,38,660.43	2,54,385.49
(c) Cash and Cash Equivalents		5,465.35	12,154.08
(d) Short-term Loans and Advances		5,92,278.18	5,84,706.90
(e) Other Current Assets		2,296.43	2,284.95
		9,69,840.12	9,53,433.91
TOTAL		19,82,641.54	19,65,679.69
Summary of Significant Accounting Policies	2.1		

The accompanying Notes and other explanatory information are an integral part of the Abridged Financial Statements.

As per our report on Abridged Financial Statements of even date

For and on behalf of the Board of Directors of Lanco Infratech Limited

For Brahmayya & Co.
Firm Reg. No. 000511S
Chartered Accountants

per N. Sri Krishna
Partner
Membership No. 26575

Place: Chennai
Date: July 22, 2013

L. Madhusudhan Rao
Executive Chairman
DIN - 00074790

G. Venkatesh Babu
Managing Director
DIN - 00075079

T. Adi Babu
Chief Operating Officer Finance

A. Veerendra Kumar
Company Secretary

Place: Gurgaon
Date: July 22, 2013

Note:- Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule VI to the Companies Act, 1956 are available at the Company's website at www.lancogroup.com

Abridged Profit and Loss Account for the year ended on March 31, 2013

(₹ in Lakhs)

		March 31, 2013	March 31, 2012
I.	**Income**		
	Revenue from Operations*	4,74,110.87	8,60,498.88
	Other Income	8,164.42	6,425.89
	Total Income	**4,82,275.29**	**8,66,924.77**
II.	**Expenditure**		
	Cost of Materials Consumed	2,59,737.58	5,41,393.99
	Purchase of Traded Goods	28,905.80	4,982.00
	Subcontract Cost	85,203.19	1,62,628.17
	Construction, Transmission and Site Expenses	15,738.56	22,593.36
	Change in Construction Work-in-Progress	(34,299.13)	(20,772.93)
	Employee Benefits Expense	36,566.49	50,791.26
	Finance Cost	60,031.50	50,512.43
	Depreciation and Amortisation Expense	12,749.28	10,143.67
	Other Expenses	16,618.87	34,026.42
	Total Expenditure	**4,81,252.14**	**8,56,298.37**
III.	**Profit before Tax (I - II)**	**1,023.15**	**10,626.40**
IV.	**Tax Expense**		
	Tax Expense	-	-
	Deferred Tax	(311.29)	(940.84)
	Total Tax Expense	**(311.29)**	**(940.84)**
V.	**Profit after Tax for the Period (III - IV)**	**1,334.44**	**11,567.24**
VI.	**Earnings Per Equity Share - (Face value of share ₹ 1 /-) :**		
	Basic	0.06	0.50
	Diluted	0.06	0.50

*** Details of Revenue from Operations:**

	Particulars		March 31, 2013 ₹ Lakhs	March 31, 2012 ₹ Lakhs
I.	Contract Operations		4,28,738.91	8,47,258.64
II.	Sale of Products		37,960.27	8,307.23
III.	Revenue from services provided		6,241.32	3,612.18
IV.	Other Operating Revenue		1,170.37	1,320.83
		TOTAL	**4,74,110.87**	**8,60,498.88**

Summary of Significant Accounting Policies	2.1		

The accompanying Notes and other explanatory information are an integral part of the Abridged Financial Statements.

As per our report on Abridged Financial Statements of even date

For and on behalf of the Board of Directors of Lanco Infratech Limited

For Brahmayya & Co.
Firm Reg. No. 000511S
Chartered Accountants

per N. Sri Krishna
Partner
Membership No. 26575

Place: Chennai
Date: July 22, 2013

L. Madhusudhan Rao
Executive Chairman
DIN - 00074790

G. Venkatesh Babu
Managing Director
DIN - 00075079

T. Adi Babu
Chief Operating Officer Finance

A. Veerendra Kumar
Company Secretary

Place: Gurgaon
Date: July 22, 2013

Abridged Cash Flow Statement for the year ended on March 31, 2013

(₹ in Lakhs)

		March 31, 2013	March 31, 2012
1.	Cash flows from Operating Activities	20,976.02	3,96,531.72
2.	Cash flows from Investing Activities	(24,500.43)	(4,07,964.24)
3.	Cash flows from Financing Activities	(3,908.18)	(7,932.59)
4.	Net decrease in Cash and Cash Equivalents	(7,432.59)	(19,365.11)
5.	Cash and Cash Equivalents at the beginning of the period	11,116.97	30,482.08
6.	Cash and Cash Equivalents at the end of the period	3,684.38	11,116.97

As per our report on Abridged Financial Statements of even date

For and on behalf of the Board of Directors of
Lanco Infratech Limited

For Brahmayya & Co.
Firm Reg. No. 000511S
Chartered Accountants

per N. Sri Krishna
Partner
Membership No. 26575

Place: Chennai
Date: July 22, 2013

L. Madhusudhan Rao
Executive Chairman
DIN - 00074790

G. Venkatesh Babu
Managing Director
DIN - 00075079

T. Adi Babu
Chief Operating Officer Finance

A. Veerendra Kumar
Company Secretary

Place: Gurgaon
Date: July 22, 2013

Notes to abridged financial statements for the year ended March 31, 2013

1. Corporate Information

Lanco Infratech Limited is an integrated infrastructure developing company. The Company provides engineering, procurement, construction, commissioning and project management services on a turnkey basis to the power Sector for thermal (coal fired and gas fired) and hydro power plants as well and also construction of highways, power plants, water supply and irrigation projects including dam, tunnels etc. The Company is also into generation of energy from wind and solar power plants.

2. Basis of preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies have been consistently applied by the Company are consistent with those used in the previous year.

2.1 Summary of significant accounting policies

i. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

ii. Revenue Recognition

Revenue is recognised based on the nature of activity to the extent it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

The Company collects service tax, sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

The following specific recognition criteria must also be met before revenue is recognised.

EPC and Construction Services

For EPC and construction contracts, contract prices are either fixed or subject to price escalation clauses.

Revenues are recognised on a percentage of completion method measured on the basis of stage of completion which is as per joint surveys and work certified by the customers.

Profit is recognised in proportion to the value of work done (measured by the stage of completion) when the outcome of the contract can be estimated reliably.

The estimates of contract cost and the revenue thereon are reviewed periodically by management and the cumulative effect of any changes in estimates in proportion to the cumulative revenue is recognised in the period in which such changes are determined. When the total contract cost is estimated to exceed total revenues from the contract, the loss is recognised immediately.

Amounts due in respect of price escalation claims and/or variation in contract work are recognized as revenue only if the contract allows for such claims or variations and/or there is evidence that the customer has accepted it and are capable of being reliably measured.

Liquidated Damages /Penalty as per the Contracts entered into with Vendors and contractors are recognised at the end of the Contract or as agreed upon.

Sale of Power

Revenue from sale of energy is recognized on the accrual basis in accordance with the provisions of Power Purchase Agreement. Claims for delayed payment charges and any other claims, which the Company is entitled to under the Power Purchase Agreement, are accounted for in the year of acceptance.

Sale of Coal

Revenue from the sale of coal is recognised when the substantial risks and rewards of ownership are transferred to the buyer as per the respective agreements and revenue can be reliably measured.

Carbon Credits

Revenue from sale of Verified Emission Reductions (VERs) and Certified Emission Reductions (CERs) is recognised on sale of eligible credits.

Insurance Claims

Insurance claims are recognised on actual receipt / acceptance of the claim.

Management Consultancy

Income from project management/technical consultancy is recognised as per the terms of the agreement on the basis of services rendered.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the Balance sheet date.

iii. Tangible Fixed Assets

Tangible assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of tangible assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work-in-Progress.

The activities necessary to prepare an asset for its intended use or sale extend to more than just physical construction of the asset. It may also include technical (DPR, environmental, planning, Land acquisition and geological study) and administrative work such as obtaining approvals before the commencement of physical construction.

The Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

iv. Intangible Fixed Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

v. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

vi. Depreciation / Amortisation:

Tangible Assets:-

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher. Assets costing ₹ 5,000 or less are fully depreciated in the year of acquisition.

Leasehold land is amortised over the period of the lease.

Leasehold improvements included in "furniture and fixtures" are amortised over the period of lease or estimated useful life whichever is shorter.

Certain project related assets including temporary structures are depreciated over the respective estimated project periods. Depreciation on 'Wooden Scaffoldings' is provided at 100%, and 'Metal Scaffoldings' is written off over a period of 3 years, which are grouped under plant and machinery.

In respect of additions/deletions to the fixed assets/ leasehold improvements, depreciation is charged from the date the asset is ready to use/up to the date of deletion.

Depreciation on adjustments to the historical cost of the assets on account of reinstatement of long-term borrowings in foreign currency, if any, is provided prospectively over the residual useful life of the asset.

The Company has used the following rates to provide depreciation on its fixed assets.

	Rates (SLM)
Buildings	3.34%
Plant and Equipment	4.75% to 11.31%
Furniture and Fixtures	6.33%
Vehicles	9.50%
Office Equipment	4.75%,16.21%
Lease hold land	Over the period of lease
Lease hold improvements	Over the period of lease or estimated useful life, whichever is shorter
Temporary Structures	
- Wooden Scaffoldings	100%
- Metal Scaffoldings	33.33%
- Other Temporary structures	Over the respective estimated project period

Intangible Assets:-

Computer Software is amortised over an estimated useful life of 4 years.

vii. Investments

Investments, that are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

viii. Inventories

Construction materials, raw materials, Consumables, Stores and Spares are valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.

Construction Work-in-progress related to project works is valued at lower of cost and net realizable value whichever

is lower, where the outcome of the related project is estimated reliably. Cost includes cost of materials, cost of borrowings and other related overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

ix. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowing of funds.

x. Claims

Claims for duty drawback are accounted for on accrual basis:

i. Where there is reasonable assurance that the enterprise will comply with the conditions attached to them; and

ii. Where such benefits have been earned by the enterprise and it is reasonably certain that the ultimate collection will be made.

xi. Employee Benefits

i. Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

ii. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

iii. Retention bonus is other defined long-term employee benefit obligation and its liability is provided for on the basis of an actuarial valuation on projected unit credit method at the end of each financial year.

iv. The Company provides short-term compensated absences based on estimates. Long-term compensated absences are provided for on the basis of an actuarial valuation on unit credit method at the end of each financial year.

v. Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

vi. The amount of Non-current and Current portions of gratuity, retention bonus and compensated absences is classified as per the actuarial valuation at the end of each financial year.

xii. Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Exchange difference arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to acquisition/construction of a depreciable capital asset, are capitalised and depreciated over the balance life of the asset and in other cases are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the Company's financial statements and amortised over the balance period of such long-term asset or liability, by recognition as income or expense in each of such period. For this purpose, the Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

Forward Exchange Contracts not intended for trading or speculation purposes

In case of forward exchange contracts or any other financial instruments that is in substance a forward exchange contract to hedge the foreign currency risks the premium or discount arising at the inception of the contract is amortised as expenses or income over the life of the contract. Exchange differences arising on such contracts are recognised in the period in which they arise.

Derivative Instruments

Losses(net of gains) on account of outstanding Forward exchange contracts which are on account of firm commitments and/or in respect of highly probable forecast transaction on balance sheet date are accounted on Mark to Market basis keeping in view of the principle of prudence. The same is as per ICAI announcement on derivatives.

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under (AS) - 11, Accounting for the Effects of Changes in Foreign Exchange Rates are marked to market on a portfolio basis, and the net loss is charged to the income statement. Net gains are ignored.

xiii. Leases

Operating Lease

As Lessee

Assets acquired on leases where a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of profit and loss on straight line basis over the lease term.

As Lessor

Assets given on leases where a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Lease rentals are recognised in the statement of profit and loss on accrual basis.

Finance Lease

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognised as finance cost in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

xiv. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xv. Employee Stock Option Scheme

The Company has formulated an Employees Stock Option Scheme to be administered through a Trust. The scheme provides that subject to continued employment with the company, employees of the Company and its subsidiaries are granted an option to acquire equity shares of the Company that may be exercised within a specified period. The Company follows the intrinsic value method for computing the compensation cost for all options granted which will be amortised over the vesting period. ESOP has been accounted as per the SEBI guidelines and guidance note issued by ICAI.

xvi. Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the applicable tax laws. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

xvii. Minimum Alternative Tax (MAT)

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the

said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

xviii. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

a) The Company has a present obligation as a result of past event,

b) A probable outflow of resources is expected to settle the obligation; and

c) The amount of the obligation can be reliably estimated.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of

a) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

b) A present obligation arising from past events, when no reliable estimate is possible;

c) A possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company where the probability of outflow of resources is not remote.

Contingent assets are neither recognised, nor disclosed.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Liquidated Damages/Penalty as per the Contracts entered into with contractees are provided for at the end of the Contract or as agreed upon.

xix. Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

xx. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the company does not include depreciation and amortisation expense, finance costs and tax expense.

3. Cash and Cash Equivalents

(Note No. 19 of Financial Statements)

₹ Lakhs

	March 31, 2013	March 31, 2012
Cash and cheques on Hand	14.13	18.45
Balances with Banks		
-On Current Accounts	3,670.25	10,521.95
-On Deposit Accounts	-	576.57
	3,684.38	11,116.97

4. Earning Per Share (EPS)

(Note No. 30 of Financial Statements)

₹ Lakhs

		March 31, 2013	March 31, 2012
Total Operations for the year			
Net Profit/(Loss) for calculation of Basic and diluted EPS	(A)	1,334.44	11,567.24
Weighted average number of Equity Shares for Basic EPS	(B)	23,412.67	23,309.00
Effect of dilution:			
Stock options under ESOP		16.02	58.35
Weighted Average number of Equity shares for Diluted EPS	(C)	23,428.69	23,367.35
Basic EPS on the basis of Total Operations	(A) / (B)	0.06	0.50
Diluted EPS on the basis of Total Operations	(A) / (C)	0.06	0.50

5. Disclosure pursuant to Accounting Standard 7 (Revised) –"Construction Contracts"
(Note No. 31 of Financial Statements)

₹ Lakhs

	March 31, 2013	March 31, 2012
Amount of contract revenue recognised as revenue during the period	4,04,222.49	8,47,258.64
The aggregate amount of costs incurred and recognised profits (less recognised losses) upto the reporting date	27,23,113.40	24,59,044.85
Amount of customer advances outstanding for contracts in progress	7,24,446.19	7,92,607.80
Retention amount due from customers for contracts in progress	1,43,442.34	90,561.70
Gross amount due from customers for contract works as an asset	92,205.90	78,451.02
Gross amount due to customers for contract works as a liability	25,767.56	34,795.65

6. Employee Benefits
(Note No. 32 of Financial Statements)

Defined Benefit Plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary for each completed year of service subject to a maximum of ₹15 Lakhs. The plan for the same is unfunded.

₹ Lakhs

	Gratuity	
	March 31, 2013	March 31, 2012
Net Employee benefit expense recognised in the employee cost		
Current service cost	226.80	467.76
Interest cost on benefit obligation	97.28	92.02
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	(135.34)	(452.15)
Net benefit expense	188.74	107.63
Balance Sheet		
Benefit asset/liability		
Present value of defined benefit obligation	996.38	1,195.04
Fair value of plan assets	-	-
Plan asset / (liability)	(996.38)	(1,195.04)
(Assets) / Liability recognised in the balance sheet		
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation	1,195.04	1,193.90
Current service cost	226.80	467.76
Interest cost	97.28	92.02
Actuarial (gain)/loss on obligation	(135.34)	(452.15)
Benefits paid	(180.12)	(28.05)
Benefit transferred in	-	25.61
Benefit transferred out	(207.28)	(104.05)
Closing defined benefit obligation	996.38	1,195.04
Assumptions		
Discount Rate (%)	8.14	8.54
Attrition Rate	19.00	19.00
Expected rate of salary increase (%)	6.00	6.00
Expected Average Remaining Service (years)	4.06	4.06

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts of Defined benefit plan for the current and previous four periods are as follows

₹ Lakhs

	Present value of Defined benefit obligation	Surplus/(deficit)	Experience adjustments on plan liabilities	Experience adjustments on plan assets
March 31, 2013	996.38	(996.38)	135.34	-
March 31, 2012	1,195.04	(1,195.04)	111.01	-
March 31, 2011	1,193.85	(1,193.85)	27.61	-
March 31, 2010	738.65	(738.65)	144.16	-
March 31, 2009	283.60	(283.60)	-	-

Information is furnished to the extent available out of earlier actuarial certificates.

Defined Contribution Plans

In respect of the defined contribution plan (Provident fund), an amount of ₹ 1,049.59 Lakhs (Previous year : ₹ 1,334.16 Lakhs) has been recognised as expenditure in the Statement of Profit and Loss.

In respect of the State Plans (Employee State Insurance), an amount of ₹ 0.66 Lakhs (Previous year : ₹ 1.70 Lakhs) has been recognised as expenditure in the Statement of Profit and Loss.

Other Employee Benefits

During the year the Company has provided retention bonus of ₹ 799.94 Lakhs (Previous Year: ₹ 2,509.36 Lakhs). The provision for compensated absences as per actuarial valuation as at March 31, 2013 is ₹ 2,718.19 Lakhs (March 31, 2012 is ₹ 3,478.57 Lakhs)

7. Employee Stock Option Scheme

(Note No. 33 of Financial Statements)

The Company has till March 31, 2013 allotted 111.18 lakhs (March 31, 2012: 111.18 lakhs) equity shares of ₹ 10 each to LCL Foundation (ESOP - Trust) towards the Employee Stock option plan 2006 (The Plan) which was formulated by the Company. The plan provides for grant of stock options of equity shares of the Company to employees of the Company and its subsidiaries subject to continued employment with the Company or Group.

Each option comprises of one equity share which will vest on annual basis at 20% each over five years and shall be capable of being exercised within a period of six years from the date of first annual vesting.

Each option granted under the above plans entitles the holder to one equity share of the Company at an exercise price, which is approved by the compensation committee.

The Plan is in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Stock Purchase Scheme) Guidelines, 1999.

Consequent to the splitting of Equity Share of ₹ 10 each into 10 equity shares of ₹ 1 each in the year 2009-10, the number of shares allotted to the trust and the options granted, forfeited, exercised are disclosed at ₹ 1 each.

A summary of the status of the Company's plan is given below:

Particulars	March 31, 2013		March 31, 2012	
	No. Lakhs	Weighted Average Exercise Price (₹)	No. Lakhs	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	366.06	0.24	489.83	0.24
Granted during the year	-	0.24	-	0.24
Forfeited during the year	(22.55)	-	(52.70)	
Exercised during the year	(105.81)	0.24	(71.07)	0.24
Expired during the year	-	-	-	
Outstanding at the end of the year	237.70	0.24	366.06	0.24
Exercisable at the end of the year	153.39	0.24	156.06	0.24

The weighted average share price for the period over which stock options were exercised was ₹ 13.33 (March 31, 2012 ₹ 20.97)

The details of exercise price for stock options outstanding at the end of the year are:

Grant No. (Grant Date)	Range of Exercise Price	Number of Options outstanding (Lakhs)	Weighted average remaining contractual life of options (in years)	Weighted Average Exercise Price (₹)
		March 31, 2013		
Grant 1 (24.06.2006)	0.24	0.63	-	0.24
Grant 2 (02.07.2007)	0.24	106.41	0.25	0.24
Grant 3 (26.09.2007)	0.24	2.84	0.49	0.24
Grant 4 (24.04.2008)	0.24	13.55	1.07	0.24
Grant 5 (04.07.2008)	0.24	28.00	1.26	0.24
Grant 6 (01.11.2008)	0.24	2.30	1.59	0.24
Grant 7 (19.02.2009)	0.24	1.27	1.89	0.24
Grant 8 (29.07.2009)	0.24	24.09	2.33	0.24
Grant 9 (27.01.2010)	0.24	6.13	2.83	0.24
Grant 10 (30.04.2010)	0.24	5.25	3.08	0.24
Grant 11 (13.08.2010)	0.24	43.51	3.37	0.24
Grant 12 (12.11.2010)	0.24	3.72	3.62	0.24
		237.70		

Grant No. (Grant Date)	Range of Exercise Price	Number of Options outstanding (Lakhs)	Weighted average remaining contractual life of options (in years)	Weighted Average Exercise Price (₹)
		March 31, 2012		
Grant 1 (24.06.2006)	0.24	1.10	0.23	0.24
Grant 2 (02.07.2007)	0.24	172.18	1.25	0.24
Grant 3 (26.09.2007)	0.24	6.54	1.49	0.24
Grant 4 (24.04.2008)	0.24	22.08	2.07	0.24
Grant 5 (04.07.2008)	0.24	37.65	2.26	0.24
Grant 6 (01.11.2008)	0.24	3.88	2.59	0.24
Grant 7 (19.02.2009)	0.24	2.00	2.89	0.24
Grant 8 (29.07.2009)	0.24	34.50	3.33	0.24
Grant 9 (27.01.2010)	0.24	10.96	3.83	0.24
Grant 10 (30.04.2010)	0.24	7.62	4.08	0.24
Grant 11 (13.08.2010)	0.24	61.41	4.37	0.24
Grant 12 (12.11.2010)	0.24	6.14	4.62	0.24
		366.06		

The Company has calculated the compensation cost based on the intrinsic value method i.e. the excess of previous closing price of underlying equity shares on the date of the grant of options over the exercise price of the options given to employees under the employee stock option schemes of the Company and is recognised as deferred stock compensation cost and is amortised on a straight line basis over the vesting period of the options. Company is using Black Sholes Model for calculating fair values of ESOP granted for determining impact of the fair value method of accounting of employee compensation in financial statement, the impact on net income and earnings per share is provided below:

Particulars		March 31, 2013	March 31, 2012
Net Income - As reported	₹ Lakhs	1,334.44	11,567.24
Add: ESOP Cost under Intrinsic Value Method	₹ Lakhs	1,425.25	2,810.27
Less : ESOP Cost under Fair Value Method (Black Sholes)	₹ Lakhs	1,455.40	2,834.91
Net Income – Proforma	₹ Lakhs	1,304.29	11,542.60
Basic Earnings per Share:			
As reported		0.06	0.50
Proforma		0.06	0.50
Diluted Earnings per Share:			
As reported		0.06	0.50
Proforma		0.06	0.49

The weighted average fair value of stock options granted during the year was N/A (Previous Year N/A) of share of ₹ 1 each.

Assumptions:-	March 31, 2013	March 31, 2012
Weighted average share price (in ₹)	NA	NA
Exercise Price (in ₹)	NA	NA
Expected Volatility	NA	NA
Historical Volatility	NA	NA
Life of the options granted (Vesting and exercise period) in years	NA	NA
Expected dividends (in ₹)	NA	NA
Average risk-free interest rate	NA	NA
Expected dividend rate	NA	NA

8. **Leases**

(Note No. 34 of Financial Statements)

Operating Lease: Company as lessee

The Company has entered into certain cancellable and non-cancellable operating lease agreements mainly for office premises. The lease rentals charged during the year and maximum obligations on long-term non-cancellable operating lease payable as per the agreements are as follows:

₹ Lakhs

	March 31, 2013	March 31, 2012
Lease rentals charged during the year		
Under Cancellable Leases	1,439.27	1,006.56
Under Non-Cancellable Leases	1,154.90	1,861.17
Future minimum lease payments under Non-Cancellable Leases		
Not later than one year	794.58	1,219.47
Later than one year and not later than five years	-	18.19

9. Related Party Transactions
(Note No.35 of Financial Statements)

a) Names of Related Parties and description of relationship.

i. Names of related parties over which control exists

S.No.	Holding Company
1	Lanco Group Limited (LGL)

S.No.	Subsidiary Companies
1	Amrutha Power Private Limited (APPL)
2	Approve Choice Investments Ltd.
3	Apricus SRL
4	Arneb Power Private Limited (ArPPL)
5	Bar Mount Trading (Pty.) Ltd.
6	Barrelake Investments (Pty.) Ltd.
7	Belara Trading (Pty.) Ltd.
8	Bhanu Solar Projects Private Limited (BSPPL)
9	Bhola Electricity (Pvt) Limited (BEPL)
10	Caelamen (Pty.) Ltd.
11	Carpenter Mine Management PTY Ltd.
12	Coral Orchids Private Limited (COPL)
13	Cordelia Properties Private Limited
14	Cressida Properties Private Limited
15	Deimos Properties Private Limited
16	Dione Properties Private Limited
17	Diwakar Solar Projects Limited (DSPL)
18	Dupondius (Pty.) Limited
19	Emerald Orchids Private Limited
20	Gamblegreat Trading (Pty.) Limited
21	Green Solar SRL
22	Helene Power Private Limited
23	JH Patel Power Project Private Limited (JhPL)
24	Jupiter Infratech Private Limited (JIPL)
25	Khaya Solar Projects Private Limited(KSPPL)
26	Lanco Amarkantak Power Limited (LAPL)
27	Lanco Anpara Power Limited (LAnPL)
28	Lanco Budhil Hydro Power Private Limited (LBHPPL)
29	Lanco Energy Africa (Proprietary) Limited (LEA)
30	Lanco Enterprise Pte. Ltd., China (LEPL)
31	Lanco Hills Technology Park Private Limited (LHTPPL)
32	Lanco Holding Netherlands B.V
33	Lanco Hydro Power Limited (Formerly known as Lanco Hydro Power Private Limited) (LHPL)
34	Lanco Infratech (Mauritius) Limited (LIML)
35	Lanco Infratech Nepal Private Limited
36	Lanco International Pte Limited (LInPL)
37	Lanco IT P.V. Investments B.V.
38	Lanco Kanpur Highways Limited (LKHL)
39	Lanco Kondapalli Power Limited (LKPL)
40	Lanco Mandakini Hydro Energy Private Limited (LMHEPL)
41	Lanco Power International Pte. Limited (LPIPL)

S.No.	Subsidiary Companies
42	Lanco Power Limited (LPL)
43	Lanco Rambara Hydro Power Private Limited
44	Lanco Resources Australia Pty. Limited (LRAPL)
45	Lanco Resources International Pte. Limited (LRIPL)
46	Lanco Rocky face land holding LLC
47	Lanco Solar Energy Private Limited (LSEPL)
48	Lanco Solar Holding Netherlands B.V.
49	Lanco Solar Holdings LLC
50	Lanco Solar International GMBH
51	Lanco Solar International Limited (LSIL)
52	Lanco Solar International Pte Limited (LSIPL)
53	Lanco Solar International USA Inc.
54	Lanco Solar Power Projects Private Limited (LSPPPL)
55	Lanco Solar Private Limited (LSPL)
56	Lanco Solar Services Private Limited (LSSPL)
57	Lanco SP P.V. Investments B.V.
58	Lanco Tanjore Power Company Limited (LTPCL)
59	Lanco Teesta Hydro Power Private Limited (LTHPPL)
60	Lanco Thermal Power Limited (LTPL)
61	Lanco Tracy City Land Holdings
62	Lanco US P.V. Investments B.V.
63	Lanco Virgin Islands I, LLC
64	Lanco Wind Power Private Limited (LWPPL)
65	LE New York - LLC
66	Leda Properties Private Limited (LPPL)
67	Lexton Trading (Pty.) Ltd.
68	Mahatamil Mining and Thermal Energy Limited (MMTEL)
69	Mercury Projects Private Limited (MPPL)
70	National Energy Trading and Services Limited (NETS)
71	Neptune Projects Private Limited (NPPL)
72	Nix Properties Private Limited
73	Omega Solar Projects Private Limited
74	Orion Solar Projects Private Limited
75	P.T. Lanco Indonesia Energy (LInE)
76	Pasiphae Power Private Limited
77	Pearl Farms Private Limited (PFPL)
78	Portia Properties Private Limited (PPPL)
79	Sabitha Solar Projects Private Limited
80	Solarfi SP06
81	Solarfi SP07
82	Spire Rotor Private Limited (SRPL)
83	Telesto Properties Private Limited (TePPL)
84	The Griffin Coal Mining Company Pty. Ltd. (GCMCPL)
85	Thebe Properties Private Limited (ThPPL)
86	Udupi Power Corporation Limited (UPCL)
87	Uranus Infratech Private Limited (UIPL)
88	Uranus Projects Private Limited (UPPL)
89	Western Australia Coal Terminal Pty Ltd

ii. **Name of other related parties with whom transactions were carried out**

S.No.	Fellow Subsidiary
1	Lanco Babandh Power Limited (LBPL)

S.No.	Enterprises where Significant Influence Exists
1	Ananke Properties Private Limited (AnPPL)
2	Avior Power Private Limited (AvPPL)
3	Basava Power Private Limited (BPPL)
4	Bay of Bengal Gateway Terminal Private Limited (BBGTPL)
5	Belinda Properties Private Limited (BePPL)
6	Bianca Properties Private Limited (BiPPL)
7	Charon Trading Private Limited (CTPL)
8	Genting Lanco Power (India) Limited
9	Himavat Power Private Limited (HPPL)
10	KVK Energy Ventures Private Limited (KEVPL)
11	Lanco Devihalli Highways Limited (LDHL)
12	Lanco Hoskote Highway Limited (LHHL)
13	Lanco Vidarbha Thermal Power Limited (LVTPL)
14	Mimas Trading Private Limited (MTPL)
15	Mirach Power Limited (MiPL)
16	Phoebe Trading Private Limited (PTPL)
17	Pragdisa Power Private Limited (PrPPL)
18	Regulus Power Private Limited (RPPL)
19	Siddheswara Power Private Limited
20	Tethys Properties Private Limited (TPPL)
21	Vainateya Power Private Limited (VPPL)
22	Vasavi Solar Power Private Limited (VSPPL)

S.No.	Key Management Personnel
1	Mr. L. Madhusudhan Rao (Chairman) (LMR)
2	Mr. G. Bhaskara Rao (Vice Chairman) (GBR)
3	Mr. G. Venkatesh Babu (Managing Director) (GVB)
4	Mr. S.C. Manocha (Deputy Managing Director) (SCM)

S.No.	Relatives of Key Management Personnel
1	Mrs. L. Rajya Lakshmi (Spouse of LMR) (LRL)
2	Mrs. G. Padmavathi (Spouse of GBR) (GP)
3	Mr. G. Avinash (Son of GBR) (SGA)
4	Mr. L. Sridhar (Brother of LMR) (LS)
5	Mrs. L. Sirisha (Spouse of LS) (LSi)

S.No.	Enterprises owned or significantly influenced by Key Management Personnel or their relatives
1	Chatari Hydro Power Private Limited (CaPTL)
2	Cygnus Solar Projects Private Limited (Formerly Callisto Trading Private Limited) (Csppl)
3	Himachal Hydro Power Private Limited (HHPPL)
4	Lanco Bay Technology Park Private Limited (LBTPL)
5	Lanco Enterprise Private Limited(LEnt PL)
6	Lanco Foundation (LF)
7	Lanco Horizon Properties Private Limited (LHrPPL)
8	Lanco Kerala Seaports Private Limited (LKSPL)
9	Lanco Transport Network Company Private Limited (LTNCPL)
10	LCL Foundation (LCL)
11	Nekkar Power Private Limited (NePPL)
12	Ravi Hydro Electric Private Limited (RHEPL)
13	Lanco Rani Joint Venture (ER)

b) Summary of transactions with related parties are as follows:

₹ Lakhs

Nature of Transaction	For the Year Ended March 31, 2013											
	Subsidiary Companies		Fellow Subsidiaries		Enterprise where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Rent Received	LTPCL	20.13										
Contract Services Rendered	LAPL	57,351.01	LBPL	34,988.05	LVTPL	40,526.74					LF	162.39
	MPPL	19,841.97			LHHL	827.12						
	OTHERS	44,513.55										
		1,21,706.53		34,988.05		41,353.86						162.39
Contract Services/ Shared Services Provided/ (Availed)	LAPL	109.77	LBPL	109.77	HPPL	54.88						
	LAnPL	109.77										
	LPL	103.06										
	OTHERS	248.17										
		570.77		109.77		54.88						
Interest Paid/(Received)	UPCL	3,142.66			LHHL	(114.27)						
	LSEPL	1,753.31										
	NETS	529.27										
	LSPL	(66.00)										
	LRIPL	(349.33)										
	LHTPPL	(504.44)										
	LPL	(1,288.58)										
	MPPL	(2,875.32)										
		341.57				(114.27)						
Donations Paid											LF	100.00
Managerial Remuneration							GVB	399.41				
							GBR	348.86				
							LMR	345.02				
							SCM	197.38				
								1,290.67				
Sitting Fee									LS	2.20		
Purchase / (Sale) of Shares	LInPL	(401.55)										
	Others	0.97										
		(400.58)										
Share Application Money Paid during the year	LPL	64,390.40	LBPL	300.00	LDHL	720.80						
	OTHERS	5,657.00			PrPPL	114.50						
					VPPL	50.00						
		70,047.40		300.00		885.30						
Share Application Money Refunded during the year	LPL	300.00			PrPPL	1,079.00					NePPL	2.00
					Others	26.00						
		300.00				1,105.00						2.00

b) **Summary of transactions with related parties are as follows:(contd.) :**

₹ Lakhs

Nature of Transaction	For the Year Ended March 31, 2013											
	Subsidiary Companies		Fellow Subsidiaries		Enterprise where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Management Consultancy Fee Charged	LAnPL	1,809.68			LDHL	127.68						
	UPCL	1,302.58			LHHL	153.41						
	NETS	1,251.25										
	LAPL	720.00										
	OTHERS	876.73										
		5,960.24				281.09						
Work Contract Expenses	LInPL	1,28,673.07										
	LSIPL	11,772.29										
		1,40,445.36										
Operation & Maintenance Expenses	LSSPL	298.11										
Receipts/Payments/ Adjustments (Net)+(-)	LInPL	1,30,644.39	LBPL	(47,844.19)	LVTPL	(26,806.58)	GVB	0.07			LR	14.14
	LTHPPL	(8,718.50)			OTHERS	(1,320.43)					LF	(175.43)
	LKPL	(13,310.79)									LEntPL	(242.35)
	LAPL	(54,770.88)										
	LAnPL	(54,810.09)										
	UPCL	(71,951.64)										
	OTHERS	5,693.66										
		(67,223.85)		(47,844.19)		(28,127.01)		0.07				(403.64)
Purchase/(Sale) of Goods/Power	UPCL	(29,483.91)										
	OTHERS	(561.58)										
		(30,045.49)										
Loan and Advances given/(Taken) during the year	LWPPL	180.00										
Inter Corporate Deposits given/(taken) /(refunded) during the year	UPCL	22,000.00			LHHL	2,848.00						
	LHTPPL	11,340.01										
	LSEPL	3,966.15										
	MPPL	2,866.99										
	LAPL	1,917.07										
	NETS	(5,986.00)										
	LPL	(63,378.00)										
		(27,273.78)				2,848.00						
Purchase of Fixed Assets	LSEPL	67.80	LBPL	0.25	LVTPL	17.94						
	LAPL	0.34										
		68.14		0.25		17.94						

b) Summary of transactions with related parties are as follows:(contd.) :

₹ Lakhs

Nature of Transaction	For the Year Ended March 31, 2013											
	Subsidiary Companies		Fellow Subsidiaries		Enterprise where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Sale of Fixed Assets	LAnPL	19.20	LBPL	10.53	LVTPL	22.89						
	NETS	16.75			HPPL	4.75						
	LPL	14.88										
	LTHPPL	11.63										
	OTHERS	11.86										
		74.32		**10.53**		**27.64**						
Corporate Guarantee Given to Banks/Financial Institutions on Behalf of Related Parties	UPCL	4,96,932.97	LBPL	3,23,270.78	HPPL	37,090.00						
	LRAPL	3,67,127.78			LHHL	35,892.24						
	OTHERS	2,51,224.92			OTHERS	13,378.31						
		11,15,285.67		**3,23,270.78**		**86,360.55**						
Balance Receivable at the year end-Share Application Money	LSEPL	28,462.98			VPPL	30,579.10					LHrPPL	31.87
					PrPPL	30,430.50					NePPL	8.00
					OTHERS	779.45					CaPTL	3.00
		28,462.98				**61,789.05**						**42.87**
Balance Receivable at the year end-Inter Corporate Deposits	LPL	72,108.50			LHHL	2,848.00						
	LHTPPL	32,590.01										
	MPPL	23,855.68										
	UPCL	22,000.00										
	OTHERS	2,517.07										
		1,53,071.26				**2,848.00**						
Balance Receivable at the year end-Loans and Advances	LRIPL	5,982.82										
	LWPPL	205.00										
		6,187.82										
Balance Receivable at the year end-OTHERS (Trade Receivables and Other Receivables)	LTPL	2,48,678.42	LBPL	19,624.76	LVTPL	8,278.59					LR	1,400.75
	LInPL	62,372.17			LHHL	2,976.03					OTHERS	116.99
	OTHERS	1,78,462.86			OTHERS	423.21						
		4,89,513.45		**19,624.76**		**11,677.83**						**1,517.74**
Balance Payable at the year end-Inter Corporate Deposits	UPCL	20,000.00										
	LSEPL	15,433.85										
	NETS	5,986.00										
		41,419.85										
Balance Payable at the year end-OTHERS (Trade Payables and Other Payables)	LAPL	1,50,470.29	LBPL	1,47,423.68	LVTPL	93,210.52	GVB	0.01			LEntPL	242.35
	UPCL	72,715.56			HPPL	73,906.82					LF	148.68
	LInPL	72,508.16			PrPPL	30,851.44					OTHERS	20.52
	OTHERS	1,87,428.39			VPPL	29,059.24						
					PTPL	95.19						
		4,83,122.40		**1,47,423.68**		**2,27,123.21**		**0.01**				**411.55**

b) Summary of transactions with related parties are as follows:

₹ Lakhs

Nature of Transaction	For the Year Ended March 31, 2012											
	Subsidiary Companies		Fellow Subsidiaries		Enterprise where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Rent Received	LTPCL	20.13										
Contract Services Rendered					LBPL	1,19,604.42						
	LAPL	2,19,809.13			LVTPL	67,754.26						
	LKPL	85,396.21			LAnPL	22,765.12						
	LVTPL	34,162.37			UPCL	35,260.78						
	LTHPPL	45,531.67			OTHERS	9,206.65						
	OTHERS	25,815.36										
		4,10,714.74				2,54,591.23						
Contract Services/ Shared Services Provided/ (Availed)	LAPL	100.40			LAnPL	100.40						
	LTHPPL	26.72			HPPL	16.73						
	HPPL	33.47			LBPL	100.40						
	OTHERS	44.07										
		204.66				217.53						
Interest Paid/ (Received)	LSEPL	1,679.12			UPCL	3,108.49						
	NETS	163.49			LAnPL	(5.56)						
	LRIPL	(86.23)			LBPL	(62.53)						
	LTPL	(124.78)										
	LBHPPL	(362.12)										
	MPPL	(1,897.20)										
	OTHERS	(111.17)										
		(738.89)				3,040.40						
Donations Paid											LF	350.00
Managerial Remuneration							GVB	580.62				
							SCM	392.45				
							GBR	386.39				
							LMR	380.58				
								1,740.04				
Sitting Fee									LS	1.60		
Purchase / (Sale) of Shares	LTPL	(6,23,744.16)			PTPL	95.19	LMR	0.75	LRL	0.75		
	OTHERS	(53,123.89)			RPPL	(85.71)	GBR	0.75	GP	0.75		
									SGA	0.75		
									LS	0.75		
									LSi	0.50		
		(6,76,868.05)				9.48		1.50		3.50		
Share Application Money Paid during the year	LPL	4,54,273.50			LBPL	41,062.00					LHrPPL	15.37
	OTHERS	1,69,783.29			LVTPL	17,500.00						
					RPPL	10,420.00						
					OTHERS	1,143.15						
		6,24,056.79				70,125.15						15.37

b) Summary of transactions with related parties are as follows: (contd.) :

₹ Lakhs

Nature of Transaction	Subsidiary Companies		Fellow Subsidiaries		Enterprise where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
For the Year Ended March 31, 2012												
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Share Application Money Refunded during the year	LPL	40,674.29			RPPL	10,400.00						
	LHTPPL	8,950.00			OTHERS	1,315.00						
	LVTPL	3,828.00										
	OTHERS	664.40										
		54,116.69				11,715.00						
Management Consultancy Fee Charged	LKPL	732.00			UPCL	720.00						
	LAPL	702.10			LHHL	153.41						
	UPCL	360.00			LDHL	127.68						
	NETS	339.00										
	LTHPPL	300.00										
	OTHERS	178.00										
		2,611.10				1,001.09						
Work Contract Expenses	LInPL	2,98,360.45			UPCL	220.44						
	UPCL	508.01										
		2,98,868.46				220.44						
Operation & Maintenance Expenses	UPCL	263.20										
	LSSPL	128.65										
		391.85										
Receipts/Payments/ Adjustments (Net)+(-)	LAPL	(18,658.87)			LAnPL	(13,310.58)					LHrPPL	(0.01)
	LKPL	(18,488.20)			LVTPL	(3,856.13)						
	LAnPL	(2,486.27)			LBPL	(6,712.21)						
	UPCL	4,523.66			OTHERS	(49.97)						
	MMTEL	(222.34)										
	LHTPPL	(237.08)										
	LSEPL	(201.56)										
	LSPL	(236.60)										
	GCMCPL	(538.93)										
	OTHERS	(441.57)										
		(36,987.76)				(23,928.89)						(0.01)
Purchase/(Sale) of Goods/Power					UPCL	(5,081.64)						
Loan and Advances given/(Taken) during the year	LAPL	(9,500.00)										
	LBHPPL	(17,725.00)										
	OTHERS	(1,933.50)										
		(29,158.50)										
Inter Corporate Deposits given/(taken) /(refunded) during the year	LPL	1,35,486.50			LBPL	(15,400.00)						
	LHTPPL	21,250.00										
	LSEPL	(19,431.02)										
	OTHERS	(1,018.27)										
		1,36,287.21				(15,400.00)						

b) **Summary of transactions with related parties are as follows: (contd.) :**

₹ Lakhs

Nature of Transaction	Subsidiary Companies		Fellow Subsidiaries		For the Year Ended March 31, 2012 Enterprise where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Purchase of Fixed Assets	LSEPL	36,058.96			LAnPL	15.41						
	OTHERS	472.49			LHHL	0.75						
		36,531.45				16.16						
Sale of Fixed Assets	LSEPL	152.70			LAnPL	0.13						
	LKPL	2.61										
	OTHERS	1.04										
		156.35				0.13						
Corporate Guarantee Given to Banks/Financial Institutions on Behalf of Related Parties	UPCL	4,90,143.61	LBPL	2,47,924.00	HPPL	35,000.00						
	LRAPL	3,45,306.38			LHHL	34,685.47						
	OTHERS	1,92,603.65			LDHL	25,578.00						
					KEVPL	5,000.00						
		10,28,053.64		2,47,924.00		1,00,263.47						
Balance Receivable at the year end-Share Application Money	LSEPL	28,162.98			VPPL	30,529.10					LHrPPL	31.87
	LAnPL	4,500.00			PrPPL	30,444.50					NePPL	10.00
	OTHERS	866.00			OTHERS	107.02					CaPTL	3.00
		33,528.98				61,080.62						44.87
Balance Receivable at the year end-Inter Corporate Deposits	LPL	1,35,486.50										
	LHTPPL	21,250.00										
	MPPL	20,988.69										
	OTHERS	6,227.21										
		1,83,952.40										
Balance Receivable at the year end-Loans and Advances	LWPPL	25.00										
Balance Receivable at the year end-OTHERS (Trade Receivables and Other Receivables)	LTPL	2,48,900.51	LBPL	31,375.32	LVTPL	16,136.68	SCM	5.04			LR	1,387.36
	LInPL	82,141.50			LHHL	2,462.48					RHEPL	34.00
	LAnPL	58,937.02			OTHERS	397.98					LBTPPL	33.25
	OTHERS	1,24,096.71									OTHERS	14.11
		5,14,075.74		31,375.32		18,997.14		5.04				1,468.72
Balance Payable at the year end-Inter Corporate Deposits	UPCL	20,000.00										
	LSEPL	19,400.00										
		39,400.00										
Balance Payable at the year end-OTHERS (Trade Payables and Other Payables)	LAPL	1,52,906.09	LBPL	1,46,438.15	LVTPL	1,14,793.72	SCM	31.16			LCL	13.72
	LInPL	94,612.15			HPPL	73,746.06	GVB	0.08			LHrPPL	6.81
	LSEPL	50,718.53			PrPPL	30,167.89					LR	0.74
	OTHERS	1,56,968.99			VPPL	28,375.69					LF	0.01
					PTPL	95.19						
		4,55,205.76		1,46,438.15		2,47,178.56		31.24				21.28

10. Segment Reporting

(Note No. 36 of Financial Statements)

Segment information under Accounting Standard- 17 "Segment Reporting" has not been presented in these financial statements as the same has been presented in the Consolidated Financial Statements of the Company.

11. Capital and Other Commitments

(Note No. 37 of Financial Statements)

₹ Lakhs

		March 31, 2013	March 31, 2012
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for;	-	1,785.03
b)	Investment Commitment in Subsidiaries and Associates	3,39,536.64	3,43,921.95
c)	Company has a commitment to invest in four of its subsidiaries as promoter support. Since it is need based, amount can't be quantified.		

12. Contingent Liabilities - Not probable and therefore not provided for

(Note No. 38 of Financial Statements)

₹ Lakhs

	March 31, 2013	March 31, 2012
Corporate guarantees given to Financial Institutions, Banks on behalf of other group companies	15,24,917.00	13,76,241.11
Income Tax Demands disputed by the Company relating to disallowances made in various assessment proceedings, under appeal	384.36	1,338.49
Claims against the Company not acknowledged as debt	1,100.00	-
Sales Tax/Entry Tax Demands disputed by the Company, under appeal	44.06	555.48
Service Tax demands disputed by the Company relating to applicability of service tax to various services, under appeal	11,302.47	11,356.33

13. Forward Contracts

(Note No. 39 of Financial Statements)

₹ Lakhs

	March 31, 2013	March 31, 2012
Details of Forward Cover for amount outstanding as on Balance sheet date		
For Buy (USD 115.63 Lakhs) (March 31, 2012 : USD 560.48 Lakhs)	6,289.11	28,672.10

Details of Unhedged Foreign Currency Exposure	March 31, 2013			
	Currency	Exchange Rate	Amount in Foreign Currency (Lakhs)	Amount in INR (Lakhs)
Trade Receivables	USD	54.39	1,407.51	76,553.31
Trade Payables	USD	54.39	1,850.65	1,00,655.76
	EURO	69.54	9.21	640.29
Advance to Suppliers	USD	44.66	1,400.82	62,561.77
	EURO	67.36	0.69	46.18
	GBP	86.45	0.06	5.39
Advance from Customers	USD	44.69	3,297.32	1,47,343.29
Loans Receivable	USD	54.39	110.00	5,982.82
Buyer's Credit	USD	54.39	1,394.85	75,865.05
	EURO	69.54	18.91	1,315.08

	March 31, 2012			
	Currency	Exchange Rate	Amount in Foreign Currency (Lakhs)	Amount in INR (Lakhs)
Trade Receivables	USD	51.16	2,187.74	1,11,917.05
Trade Payables	USD	51.16	2,452.99	1,25,486.26
	EURO	68.34	6.14	419.64
Advance to Suppliers	USD	44.68	1,816.62	81,171.23
	EURO	68.34	0.25	16.96
	GBP	81.80	0.02	1.65
Advance from Customers	USD	44.90	4,821.01	2,16,456.97
Loans Receivable	USD	51.16	110.00	5,627.22
Buyer's Credit	USD	51.16	644.67	32,979.29
	EURO	68.34	20.34	1,390.03

14. Deferral/capitalisation of Exchange Difference

(Note No. 40 of Financial Statements)

In line with the Notification dated December 29, 2011 issued by the Ministry of Corporate Affairs, The Company has selected the option given in Paragraph 46A of the Accounting Standard – 11, "The Effects of Changes in Foreign Exchange Rates", the foreign exchange (gain) / loss arising on revaluation of long term foreign currency monetary items in so far as they relate to the acquisition of depreciable capital assets to be depreciated over the balance life of such assets and in other cases the foreign exchange (gain)/loss to be amortised over the balance period of such long term foreign currency monetary items. On availment of option under this notification, foreign exchange difference remains unamortised is ₹ 3,545.58 Lakhs (March, 31 2012 : Nil).

15. Disclosure of Loans and Advances to Subsidiaries, Associates, Joint Ventures and Others (Pursuant to Clause 32 of the Listing Agreement)

(Note No. 41 of Financial Statements)

₹ Lakhs

Name of the Company	Amount outstanding as at		Maximum amount outstanding during the year	
	March 31, 2013	March 31, 2012	**March 31, 2013**	March 31, 2012
Subsidiaries				
Lanco Hydro Power Limited	-	-	-	676.00
Lanco Thermal Power Limited	-	-	-	1,472.50
Lanco Amarkantak Power Limited #	1,917.07	-	50,000.00	1,01,671.00
Lanco Solar Energy Private Limited	-	-	-	31.02
Lanco Solar Private Limited	600.00	600.00	600.00	600.00
Mercury Projects Private Limited	23,855.68	20,988.69	25,057.81	30,063.31
Lanco Power Limited	10,989.50	8,815.50	11,989.50	8,815.50
Lanco Power Limited #	61,119.00	1,26,671.00	1,34,019.00	1,26,671.00
Lanco Budhil Hydro Power Private Limited*	-	-	-	5,862.00
Lanco Budhil Hydro Power Private Limited#	-	-	-	25,000.00
Lanco Anpara Power Limited	-	-	-	1,750.00
Lanco Resources International PTE Ltd.	5,982.82	5,627.22	6,025.50	5,706.35
Lanco Hills Technology Park Private Limited	11,990.01	-	11,990.01	-
Lanco Hills Technology Park Private Limited#	20,600.00	21,250.00	20,750.00	21,250.00
Lanco Teesta Hydro Power Private Limited	-	-	-	1,000.00
Udupi Power Corporation Limited	-	-	2,000.00	-
Udupi Power Corporation Limited#	22,000.00	-	30,806.42	-
Lanco Wind Power Private Limited#	205.00	25.00	205.00	25.00
Associates				
Lanco Hoskote Highway Limited	2,848.00	-	2,848.00	-
Lanco Vidarbha Thermal Power Limited#	-	-	-	7,000.00

*Repayable beyond 7 years

Lower than bank rate

16. Disclosures required under Section 22 of MSMED Act 2006 under the Chapter on Delayed Payments to Micro, Small and Medium Enterprises

(Note No. 42 of Financial Statements)

₹ Lakhs

	March 31, 2013	March 31, 2012
Principal amount remaining unpaid to any supplier as at the end of the year	232.83	3,184.76
Interest due on the above amount	16.15	57.92
Amount of interest paid in terms of Section 16 of the MSMED Act, 2006	-	-
Amount of payments made to the suppliers beyond the appointed day during the year	12.00	28.00
Amount of interest due and payable for the delay in making the payment but without adding the interest specified under Act	0.26	0.53
Amount of interest accrued and remaining unpaid at the end of the year	16.41	0.79

17. CIF Value of Imports

(Note No. 43 of Financial Statements)

₹ Lakhs

	March 31, 2013	March 31, 2012
EPC, Construction goods and Traded goods	1,53,682.59	3,01,666.41
Capital Goods	565.06	2,648.56
	1,54,247.65	3,04,314.97

18. Expenditure In Foreign Currency (Accrual Basis)

(Note No. 44 of Financial Statements)

₹ Lakhs

	March 31, 2013	March 31, 2012
Technical Consultation Fee	863.82	4,905.78
Contract Expenditure	25,131.66	-
Travel	553.53	352.47
Interest on Buyers Credit	1,551.59	1,088.19
Others	961.71	1,062.68
	29,062.31	7,409.12

19. Imported and Indigenous raw materials, components and spare parts consumed

(Note No. 45 of Financial Statements)

	March 31, 2013 % of Total consumption	March 31, 2013 ₹ Lakhs	March 31, 2012 % of Total consumption	March 31, 2012 ₹ Lakhs
Raw Materials				
Imported	57%	1,44,350.95	58%	3,06,876.46
Indigenous	43%	1,08,889.76	42%	2,26,746.01
	100%	2,53,240.71	100%	5,33,622.47
Components				
Indigenous	100%	6,496.87	100%	7,771.52
	100%	6,496.87	100%	7,771.52
Spare Parts				
Imported	3%	38.49	-	-
Indigenous	97%	1,348.45	100%	2,271.62
	100%	1,386.94	100%	2,271.62

20. Earnings in Foreign Exchange (Accrual Basis)

(Note No. 46 of Financial Statements)

₹ Lakhs

	March 31, 2013	March 31, 2012
Interest	349.33	87.04
Contract Receipts	30,664.07	3,559.22
	31,013.40	3,646.26

21. Borrowing Costs

(Note No. 47 of Financial Statements)

Detail of borrowing costs incurred which are directly attributable to the acquisition/ construction of a qualifying asset and capitalised during the year to be disclosed.

₹ Lakhs

	March 31, 2013	March 31, 2012
Plant and Equipment	-	764.07

22. (Note No. 48 of Financial Statements)

(a) On March 30, 2012, the Company has put in place two level power holding company structure wherein Lanco Power Limited (LPL) a wholly owned subsidiary of the Company as the power holding vehicle for the Group. LPL has further two wholly owned subsidiaries namely Lanco Thermal Power Limited and Lanco Hydro Power Limited (formerly Lanco Hydro Power Private Limited) as thermal power holding company and hydro power holding company respectively.

(b) As approved by the members vide their resolution dated March 19, 2010 the company has sold its shareholding in some of its Subsidiaries and Associate Companies (hereinafter referred as 'related entities') to its wholly owned step down subsidiaries i.e. Lanco Thermal Power Limited, Lanco Hydro Power Limited and to an associate, Regulus Power Private Limited (an erstwhile subsidiary) on March 30, 2012 for total cash consideration amounting to ₹ 6,81,550.87 lakhs. As of March 31, 2013 ₹ 2,70,134.90 lakhs, (March 31, 2012 ₹ 2,70,135.16 lakhs) representing the balance amount of consideration for sale of shares is receivable from the above entities.

(c) As a result of the above change, one of the associate namely Lanco Babandh Power Limited, consequent to the sale of its equity shares to an associate i.e. Regulus Power Private Limited, has become an associate of an associate.

(d) During the previous year, the Company has entered into novation agreement with Lanco Power Limited and related entities forming part of power holding company structure, for transfer of loans receivables amounting to ₹ 1,35,486.50 lakhs outstanding in the books of the Company and in the current year an amount of ₹ 61,586.50 lakhs is outstanding with regard to the said transactions in the books of the Company.

(e) The aforesaid transfer of shares in various subsidiaries and associates requires lenders / customer approvals. Pending the receipt of approvals, the Company has recorded the sale of investments in related entities in the financial statements. During the year, the Management has obtained approvals from the most of the lenders and the management is confident of receiving the residual approvals and share transfer is in progress. In case such approvals are not received, the loans given by the lenders to the respective related entities may become due if the Company still wants to pursue transfer of shares, or the sold investments will be purchased back by the Company. Based on legal advice, the management is of the opinion that they have complied with relevant laws and regulations.

23. (Note No. 49 of Financial Statements)

The Company has entered into transactions with related parties, including some of its associates namely Lanco Vidarbha Thermal Power Limited (LVTPL), Himavat Power Private Limited (HPPL), Lanco Hoskote Highway Limited (LHHL), Lanco Devihalli Highways Limited (LDHL), Vainateya Power Private Limited (VPPL) and Lanco Babandh Power Limited (LBPL) (fellow Subsidiary) whose details are shown in summary of the transactions with related parties, under Note No. 9. The Company along with Lanco Group Limited (Holding Company) and through various intermediate companies holds the remainder of shares in these associates and LBPL. In case of LVPTL, LBPL and HPPL, the Group holds cumulative compulsorily convertible preference shares which when exercised for conversion as per the terms of these shares would result in these companies becoming subsidiaries of the Company or its step down subsidiaries.

24 (Note No. 50 of Financial Statements)

As on March 31, 2013, the Company has loans aggregating ₹ 33,361.92 Lakhs falling due over next twelve months period and also unpaid dues of ₹ 61,591.44 Lakhs of the Company as at March 31, 2013. This apart the Company has commitments to support its various ongoing projects. These matters require the Company to garner such additional cash flows to fund the operations as well as investment obligations to ongoing projects. The management is actively considering the aspects like dilution of stake in subsidiary companies, disposal of non-core assets for which necessary steps have already been taken which would bring in additional cash flows into the system to meet its obligations.

25. (Note No. 51 of Financial Statements)

One of the Company's step down subsidiary Lanco Anpara Power Limited (LAnPL) has been incurring losses ever since the commencement of commercial operations and accumulated losses incurred so far eroded the net worth significantly, taking into consideration LAnPL management's assessment of the situation including efforts towards seeking revision in the tariff etc. pending before the regulators, the management of the Company is of the view that the carrying value of Assets of LAnPL is realizable at the value stated therein.

26. (Note No. 52 of Financial Statements)
Due to lower profits in the Company the remuneration of Directors as fixed by the members for the financial year 2012-13 is exceeding the permissible remuneration under the Companies Act, 1956 by ₹ 1,506.30 Lakhs. The Company is taking necessary steps for obtaining the approval of the Central Government and approval of members for such remuneration.

27. (Note No. 53 of Financial Statements)
The company has not paid principal amount of ₹ 57,241.82 Lakhs (March 31, 2012 : Nill) and interest amount of ₹ 4,349.62 Lakhs (March 31, 2012 : Nil) as at March 31, 2013.

28. (Note No. 54 of Financial Statements)
Duty Drawback claims recognised during the year ₹ 70.36 Lakhs (March 31, 2012: ₹ 23,331.69 Lakhs) as deduction from the construction materials consumed.

29. (Note No. 55 of Financial Statements)
Previous year figures have been regrouped/reclassified where ever necessary, to conform to those of the current year.

As per our report on Abridged Financial Statements of even date

For Brahmayya & Co.
Firm Reg. No. 000511S
Chartered Accountants

per N. Sri Krishna
Partner
Membership No. 26575

Place: Chennai
Date: July 22, 2013

For and on behalf of the Board of Directors of
Lanco Infratech Limited

L. Madhusudhan Rao
Executive Chairman
DIN - 00074790

G. Venkatesh Babu
Managing Director
DIN - 00075079

T. Adi Babu
Chief Operating Officer Finance

A. Veerendra Kumar
Company Secretary

Place: Gurgaon
Date: July 22, 2013

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

To

The Board of Directors of **Lanco Infratech Limited**

Report on Financial Statements

We have audited the accompanying consolidated financial statements of Lanco Infratech Limited ("the Company") and its subsidiaries (collectively referred as "Group"), which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Attention is invited to

a. *Note 37 of the accompanying consolidated financial statements, which explains the restructuring undertaken by the management during the year ended March 31, 2012. The Company's investment as of March 30, 2012 in various subsidiaries and associates was transferred to wholly owned step down subsidiaries and to an associate of wholly owned step down subsidiary aggregating to ₹ 6,81,550.87 lakhs that require lenders and customer approvals. Management having received many such approvals is confident of receiving the balance approvals from lenders and customer and has taken the effect of these transfers while preparing the accompanying consolidated financial statements. In case of any of these residual approvals are not granted, the management will have to revisit the structure and the consequential impact would then be recorded in the accompanying consolidated financial statements, pending the final outcome of lenders and customer approvals, we are unable to comment on the consequential effects of the foregoing should such approval not be received on these consolidated financial statements. This had also been qualified in our Audit report for the year ended March 31, 2012.*

b. *Note 55(b) of the accompanying consolidated financial statements, which explains the management's assessment with respect to litigation around power purchase agreement of one of the power generating units of Lanco Amarkantak Power Limited, a step down subsidiary of the Company and recognition of revenue of ₹ 9,924.40 lakhs (₹ 19,522.96 lakhs till March 31, 2013) for the year ended March 31, 2013 realisability of which is dependent upon settlement of the aforesaid litigation. Due to the uncertainty over recoverability of these balances, we are unable to comment upon any consequential impact on these accompanying consolidated financial statements.*

c. *Note 40 of the accompanying consolidated financial statements, which explains the payment of managerial remuneration amounting to ₹ 1,506.30 lakhs was paid in excess of the permissible remuneration under Schedule XIII of the Companies Act, 1956 during the year ended March 31, 2013. The Company proposes to apply to the Central Government for the approval of such excess remuneration and is also subject to the approval of the members. Pending the final outcome of this matter, we are unable to comment on consequential adjustments, if any, required in the accompanying consolidated financial statements in this regard.*

d. *Note 39 of the accompanying consolidated financial statements, managerial remuneration in respect of Lanco Solar Private Limited (LSPL) amounting to ₹ 223.11 lakhs was paid in excess of the permissible remuneration under Schedule XIII of the Companies Act, 1956 during the year ended March 31, 2011. LSPL has applied to the Central Government for the approval of such excess remuneration. Pending the final outcome of this matter, we are unable to comment on consequential adjustments, if any, required in the accompanying consolidated financial statements in this regard. This had also been qualified in our audit reports for the years ended March 31, 2011 and March 31, 2012.*

e. *Note 38(b) of the accompanying consolidated financial statements, include financial statements of subsidiaries of Lanco Resources International Pte. Limited (LRIPL) and subsidiaries of Lanco International Pte. Limited (LIPL) whose consolidated accounts reflect total assets of ₹ 7,12,068.64 lakhs as at March 31, 2013, the total revenue of ₹ 96,578.35 lakhs, total loss of ₹ 49,889.24 lakhs and the total net cash flows amounting to ₹ (7,528.70) lakhs for the year then ended March 31, 2013. These financial statements and other financial information have been prepared by the management and which have not been audited and our opinion is based solely on the management accounts. We are unable to comment on adjustments that may have been required to the accompanying said unaudited consolidated financial statements, had such consolidated accounts been audited.*

While considering the audited financial statements for the year ended March 31, 2012, the audit report issued by the component auditor's of The Griffin Coal Mining Pty. Limited (GCMPL) & Carpenter Mine Management Pty. Limited in Australia (CMMPL) which are step down subsidiary companies of Lanco Resources International Pte. Limited (LRIPL) have qualified their opinion in relation to balance pertaining to March 31, 2011. Consequently the opening balance considered for the financial year ended March 31, 2012 should also be read as qualified in that regard.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;

b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and

c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, your attention is invited to

a. In forming our opinion on the accompanying consolidated financial statements, we have considered the adequacy of disclosure made in Note 43 of the accompanying consolidated financial statements as at March 31, 2013, concerning the Group's ability to meet its financial obligations including repayments of loans and ability to fund obligations pertaining to operations and investments in ongoing projects and for ensuring normal operations. During the year, the Group incurred a net loss of ₹ 1,07,329.46 lakhs and has net current liabilities of ₹ 1,15,209.81 lakhs and has loans aggregating ₹ 2,60,366.97 lakhs falling due over next twelve months period which also includes unpaid dues of the group as at March 31, 2013. These matters require the Company to garner such additional cash flows to fund the operations as well as investment obligations to ongoing projects. However the accompanying consolidated financial statements have been prepared under the assumption, considering the management assessment to recover the dues from various State Electricity Boards and management plan to get requisite funding from various other sources as contemplated. These submissions and assertions by the management envisage that the Company has the ability to garner the required cash flows. Relying on the above, no adjustments have been made in these consolidated financial statements.

b. Note 54 to the accompanying consolidated financial statements for the year ended March 31, 2013 regarding the uncertainty of the availability of natural gas to operate Phase-II and Phase-III (In future) power plants of Lanco Kondapalli Power Limited (LKPL), a step down subsidiary of the Company. In view of this, LKPL has approached its lenders of Phase-III for reschedulement of Commercial Operation Date (COD) and repayment of project loans. Pending availability of requisite gas no impact has been assessed on the financial statements on the eventual availability of gas to operate the Phase-II and Phase-III (In future) power plants which is indeterminable at this point of time.

c. Note 57 to the accompanying consolidated financial statements, which explain additional advances of ₹ 53,124.72 lakhs made by a step down subsidiary to the Company, in accordance with the change in terms of the Engineering, Procurement & Construction (EPC) contract awarded to the Company, which requires approval from the respective lenders however this gets eliminated while preparing these accompanying consolidated financial statements. The management is confident of getting the requisite lenders approval for the changes in the terms of the EPC Contract.

d. Note 58 to the accompanying consolidated financial statements, in relation to revenue recognition of Udupi Power Corporation Limited (UPCL), a step down subsidiary of the Company on provisional basis pending determination of final tariff by Central Electricity Regulatory commission and consequent non-confirmation of balances representing the trade receivables for which the statutory auditors of UPCL have drawn attention in their report as an emphasis of matter.

e. Note 62 to the accompanying consolidated financial statements, in relation to the carrying value of assets held by Lanco Anpara Power Limited (LAnPL), a step down subsidiary of the Company. Though LAnPL has been incurring losses ever since the commencement of commercial operations and accumulated losses incurred so far eroded the net worth significantly, taking into consideration LAnPL management's assessment of the situation including efforts towards seeking revision in tariff etc pending before the regulators, the management of the Company is of the view that the carrying value of Assets of LAnPL is realizable at the value stated therein. Accordingly, no adjustments have been made in the accompanying consolidated financial statements.

f. Note 66 to the accompanying consolidated financial statements, which explains the matter in Lanco Teesta Hydro Power Private Limited (LTHPPL), a step down subsidiary of the Company relating to proceedings pending with Maharashtra Electricity Regulatory Commission regarding termination of Long-Term Power Purchase Agreement (PPA) with Maharashtra State Electricity Distribution Limited (MSEDCL) and the time and consequential cost overrun of the project and the management's plans to meet the cost overrun of the project. There has been an extension of Commercial Operation Date (COD) due to the circumstances beyond the control of the company resulting in extended execution of the Hydro power project. In the opinion of the management the execution of the project with the increased cost and extended timelines for bringing the assets to its intended use is still viable even taking into account the current level of low implementation activities which does not amount to interruption thus continued to capitalise all the costs. Pending resolution of matters concerning the proceedings relating to termination of PPA and achieving the required financial closure for funding the cost overrun, no adjustments have been carried out to the carrying value of asset.

g. Note 42 to the accompanying consolidated financial statements, which explain the applicability of notification issued by Central Electricity Regulatory Commission (CERC) in relation to rates of depreciation to accounting for regulated and non-regulated operations in respect of which the company has sought clarifications and guidance from Ministry of Corporate affairs Government of India.

h. Note 73 & 74 to the accompanying consolidated financial statements, which explain certain litigations with respect to a customer claim at National Energy Trading and Services Limited (NETS) and land dispute at Lanco Hills Technology Park Private Limited (LHTPPL), the ultimate outcome of these matters cannot presently be determined. Management, based upon its assessment and legal advice obtained, is confident of the outcome of the matters in its favour.

Our opinion is not qualified in respect of the above matters.

Other Matter

To the extent stated in the paragraphs (a) to (c) below, we did not audit each of the financial statements of certain component entities that comprise the Group and are included in the accompanying consolidated financial statements.

a. We did not audit the financial statements of certain subsidiaries, whose audited financial statements reflect total assets of ₹ 14,40,509.44 lakhs as at March 31, 2013 and total revenue of ₹ 4,74,150.91 lakhs and net cash flows amounting to ₹ (33,184.29) lakhs for the year then ended. These audited financial statements and other financial information for these subsidiaries has been audited by other auditors whose reports have been furnished to us, and our opinion on the accompanying consolidated financial statements is based solely on the reports of the other auditors.

b. We did not audit the financial statements of certain associates, whose audited financial statements reflect the Group's share of loss of ₹ 985.06 lakhs for the year ended March 31, 2013. These audited financial statements and other financial information for these associates have been audited by the other auditors whose reports have been furnished to us, and our opinion on the accompanying consolidated financial statements is based solely on the reports of the other auditors.

c. We did not audit the financial statements of certain associates, whose financial statements reflect the Group's share of Profit of ₹ 311.24 lakhs for the year ended March 31, 2013. These financial statements and other financial information of these associates have been prepared by the management and our opinion is based solely on the management accounts.

Our opinion is not qualified in respect of these matters.

For Brahmayya & Co.
Chartered Accountants
Firm Registration Number: 000511S

N. Sri Krishna
Partner
Membership Number: 26575

Place: Gurgaon
Date: May 29, 2013

Consolidated Balance Sheet as at March 31, 2013

(₹ Lakhs)

	Notes	As at March 31, 2013	As at March 31, 2012
I. EQUITY and LIABILITIES			
Shareholders' Funds			
Share Capital	3	23,924.07	23,896.51
Reserves and Surplus	4	3,43,321.94	4,46,708.59
		3,67,246.01	4,70,605.10
Minority Interest		93,417.70	95,188.23
Non-Current Liabilities			
Long-Term Borrowings	5	26,00,434.39	24,00,371.11
Deferred Tax Liabilities (net)	6.1	64,106.79	71,719.40
Other Long-Term Liabilities	7	3,60,528.18	3,77,293.20
Long-Term Provisions	8	72,086.67	57,861.17
		30,97,156.03	29,07,244.88
Current Liabilities			
Short-Term Borrowings	9	5,37,251.37	4,18,876.66
Trade Payables	10	4,51,453.21	3,75,467.16
Other Current Liabilities	11	5,17,176.03	5,57,161.43
Short-Term Provisions	8	18,425.83	16,826.58
		15,24,306.44	13,68,331.83
TOTAL		50,82,126.18	48,41,370.04
II. ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	22,54,223.75	18,54,426.80
Intangible Assets	13	7,806.62	9,615.65
Capital Work-in-Progress	14	12,09,148.91	13,85,394.84
Intangible Assets under Development	15	4,296.91	2,616.96
		34,75,476.19	32,52,054.25
Non Current Investments	16	2,89,604.62	2,72,685.16
Deferred Tax Assets (Net)	6.2	3,667.50	2,757.83
Long Term Loans and Advances	18	90,910.60	1,87,163.84
Other Non-Current Assets	19	73,737.59	52,688.34
		39,33,396.50	37,67,349.42
Current Assets			
Current Investment	17	555.16	3,740.42
Inventories	20	3,09,758.03	2,78,888.41
Trade Receivables	19.1	4,65,761.64	3,76,419.08
Cash and Bank Balances	21	57,281.42	1,41,206.58
Short-Term Loans and Advances	18	2,96,044.58	2,55,040.55
Other Current Assets	19.2	19,328.85	18,725.58
		11,48,729.68	10,74,020.62
TOTAL		50,82,126.18	48,41,370.04
Summary of Significant Accounting Policies	2.1		

The accompanying Notes and other explanatory information are an integral part of the Financial Statements.
As per our report of even date

For and on behalf of the Board of Directors of Lanco Infratech Limited

For Brahmayya & Co.
Firm Reg. No. 000511S
Chartered Accountants

per N. Sri Krishna
Partner
Membership No. 26575

Place: Gurgaon
Date: May 29, 2013

L. Madhusudhan Rao
Executive Chairman
DIN - 00074790

T. Adi Babu
Chief Operating Officer Finance

G. Venkatesh Babu
Managing Director
DIN - 00075079

A. Veerendra Kumar
Company Secretary

Place: Gurgaon
Date: May 29, 2013

Consolidated Statement of Profit and Loss for the year ended March 31, 2013

(₹ Lakhs)

		Notes	For the year ended March 31, 2013	For the year ended March 31, 2012
I.	**INCOME**			
	Revenue from Operations	22	13,73,879.90	10,16,896.40
	Other Income	23	14,885.73	11,760.93
	Total Revenue (I)		**13,88,765.63**	10,28,657.33
II.	**EXPENSES**			
	Cost of Materials Consumed	24	6,46,920.21	5,01,253.52
	Purchase of Traded Goods	25	2,16,124.71	1,00,438.31
	Subcontract Cost		56,086.60	52,430.00
	Construction, Transmission, Plant/Site and Mining Expenses	26	1,31,863.64	1,02,950.91
	(Increase)/Decrease in Inventories of Finished Goods and Construction/Development Work-in-Progress	27	(45,404.79)	(34,501.62)
	Employee Benefits Expenses	28	61,845.27	71,168.28
	Other Expenses	29	55,996.54	50,058.15
	Total Expenses (II)		**11,23,432.18**	8,43,797.55
III.	**Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I - II)**		**2,65,333.45**	1,84,859.78
	Finance Cost	30	2,42,144.25	1,05,385.10
	Depreciation and Amortisation Expense	31	1,12,581.12	56,279.54
IV.	**Profit/(Loss) before Exceptional, Prior Period Items, Minority Interest, Share of Profit of Associates and Tax**		**(89,391.92)**	23,195.14
V.	**Exceptional Items**	36 (a) & 37 (c)	-	11,643.17
VI.	**Profit/(Loss) before Prior Period Items, Minority Interest, Share of Profit of Associates and Tax (IV + V)**		**(89,391.92)**	34,838.31
VII.	**Tax Expense**			
	Current Tax/Minimum Alternative Tax (MAT) Payable		7,984.92	20,131.98
	Less: MAT Credit Entitlement		(7,310.49)	493.69
	Net Current Tax		15,295.41	19,638.29
	Relating to Previous Years		(1.34)	78.71
	Deferred Tax		2,667.58	2,745.24
	Total Tax Expense (VII)		**17,961.65**	22,462.24
VIII.	**Profit/(Loss) after Taxation but before Prior Period Items, Minority Interest and Share of Profit of Associates (VI - VII)**		**(1,07,353.57)**	12,376.07
IX.	Prior Period Items		(1,262.05)	360.34
X.	**Net Profit/(Loss) after Taxation, before Minority Interest and Share of Profit of Associates (VIII - IX)**		**(1,06,091.52)**	12,015.73
	Add: Share of Profit / (Loss) of Associates		(287.81)	(6,021.81)
	Less: Elimination of Unrealised Profit on Transactions with Associate Companies		2,072.24	3,768.96
XI.	**Net Profit/(Loss) after Taxation and Share of Profit of Associates before Minority Interest**		**(1,08,451.57)**	2,224.96
	Less: Share of Minority Interest		(1,122.11)	13,428.43
XII.	**Net Profit/(Loss) after Taxation, Minority Interest and Share of Profit of Associates (Balance Carried to Balance Sheet)**		**(1,07,329.46)**	(11,203.47)
XIII.	**Earnings Per Equity Share - (Face value of share ₹ 1/-)**	32		
	Basic (₹)		**(4.58)**	(0.48)
	Diluted (₹)		**(4.58)**	(0.48)
	Summary of Significant Accounting Policies	2.1		

The accompanying Notes and other explanatory information are an integral part of the Financial Statements.
As per our report of even date

For and on behalf of the Board of Directors of Lanco Infratech Limited

For Brahmayya & Co.
Firm Reg. No. 000511S
Chartered Accountants

per N. Sri Krishna
Partner
Membership No. 26575

Place: Gurgaon
Date: May 29, 2013

L. Madhusudhan Rao
Executive Chairman
DIN - 00074790

G. Venkatesh Babu
Managing Director
DIN - 00075079

T. Adi Babu
Chief Operating Officer Finance

A. Veerendra Kumar
Company Secretary

Place: Gurgaon
Date: May 29, 2013

Consolidated Cash Flow Statement for the year ended March 31, 2013

(₹ Lakhs)

		For the year ended March 31, 2013	For the year ended March 31, 2012
A.	**CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES**		
	Profit/(Loss) before Exceptional, Prior Period Items, Minority Interest, Share of Profit of Associates and Tax	(89,391.92)	23,195.14
	Adjustments for:		
	Depreciation and Amortisation	1,12,581.12	56,279.54
	(Profit) on Sale of Investments (net)	(5.40)	(562.78)
	Loss on Sale of Fixed Assets (net)	1,362.27	751.11
	Loss on Foreign Exchange Fluctuations (Net)	1,465.70	10,843.49
	Liabilities and Provisions no longer required written back	(288.07)	(163.89)
	Provision for Advances/Claims/Debts	6,833.18	2,419.84
	Employee Stock Option Charge during the year	1,936.99	3,461.96
	Interest Income	(9,510.16)	(6,995.29)
	Dividend Income	(214.69)	(206.97)
	Interest Expenses	2,42,144.24	1,05,385.10
	Cash Generated Before Working Capital Changes	2,66,913.26	1,94,407.25
	Movement in Working Capital		
	Increase in Trade Payables	85,756.94	1,31,511.03
	Increase in Provisions	8,642.67	44,422.52
	(Decrease)/Increase in Other Liabilities	(63,768.37)	97,463.06
	(Increase) in Trade Receivables	(1,02,472.84)	(87,456.69)
	(Increase) in Inventories	(18,577.77)	(33,290.88)
	Decrease in Loan and Advances (excluding Capital Advances)	17,582.75	16,301.76
	Decrease in Other Assets	5,217.35	10,385.58
	Cash Generated from Operations	1,99,293.99	3,73,743.63
	Direct Taxes Paid	(10,582.83)	(31,139.28)
	Net Cash Flow from Operating Activities	1,88,711.16	3,42,604.35
B.	**CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES**		
	Purchase of Fixed Assets (including Capital Advances)	(1,86,453.23)	(6,69,634.80)
	Proceeds from Sale of Fixed Assets	5,022.68	1,259.74
	Consideration paid on acquisition of subsidiaries	-	(97.11)
	Cash and cash equivalents acquired pursuant to acquisition of subsidiaries	-	2,550.73
	Purchase of Non-Current Investments	(11,891.64)	(92,900.23)
	Sale/(Purchase) of Current Investments (Net)	3,205.59	7,306.60
	Inter Corporate Deposits Received Back/(Given)	(12,988.04)	15,382.92
	Investment in Bank Deposits	4,283.36	(11,531.47)
	Advance for Investment Refunded	28,333.64	384.50
	Dividend Income Received	214.69	206.97
	Interest Income Received	8,546.83	5,924.91
	Net Cash Flow Used in Investing Activities	(1,61,726.13)	(7,41,147.24)
C.	**CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES**		
	Proceeds from Short-Term Borrowings (Net)	1,18,374.71	1,00,950.33
	Proceeds from Long-Term Loan	3,89,961.87	6,99,881.07
	Repayment of Long-Term Loan	(2,60,793.86)	(1,82,230.01)
	Proceeds on account of exercise of ESOP shares	-	24.58
	Proceeds from Minority Interest	-	17.61
	Repayment of Minority Interest	(648.43)	(5,830.10)
	Interest Paid	(3,45,597.96)	(2,01,167.39)
	Net Cash Flow From/(Used in) Financing Activities	(98,703.67)	4,11,646.09
	Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	(71,718.64)	13,103.20
	Cash and Cash Equivalents at the beginning of the year	94,908.52	97,143.38
	Less: Cash and Cash Equivalents impact on subsidiaries becoming associates	-	(15,338.06)
	Cash and Cash Equivalents at the end of the year	23,189.88	94,908.52
	Components of Cash and Cash Equivalents		
	Cash and cheques on Hand	57.53	75.37
	Balances with Banks		
	- On Current Accounts	18,258.32	69,237.01
	- On Deposit Accounts	4,874.03	25,596.14
	Cash and cash Equivalent as per Note 21	23,189.88	94,908.52

Notes:

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements as notified under Section 211(3C) of the Companies Act, 1956.
2. Previous year's figures have been regrouped and reclassified to confirm to those of the current year.

As per our report of even date

For Brahmayya & Co.
Firm Reg. No. 000511S
Chartered Accountants

per N. Sri Krishna
Partner
Membership No. 26575

Place: Gurgaon
Date: May 29, 2013

For and on behalf of the Board of Directors of Lanco Infratech Limited

L. Madhusudhan Rao
Executive Chairman
DIN - 00074790

G. Venkatesh Babu
Managing Director
DIN - 00075079

T. Adi Babu
Chief Operating Officer Finance

A. Veerendra Kumar
Company Secretary

Place: Gurgaon
Date: May 29, 2013

Notes and other explanatory information to consolidated financial statements for the year ended March 31, 2013

1. Corporate Information

Lanco Infratech Limited ('LITL' or 'the Company') and its subsidiaries (hereinafter collectively referred to as 'Group') are engaged in the business of Construction, Engineering, Procurement and Commissioning (EPC), Infrastructure Development, Power Generation, Power Trading, Property Development, Development of Expressways and Exploration, Mining & Marketing of Coal.

EPC and Construction Business

The Company and certain entities of the Group are involved in development of infrastructure facilities including Engineering, Procurement and Commissioning Services for Power Plants, Industrial Structures, water supply, mass housing, institutional buildings and expressways.

Power Business

The Company and certain entities of the Group are involved in the generation of power. The entities are separate special purpose vehicles formed, which have entered into Power Purchase Agreements with electricity distribution companies of the respective state governments and power trading entities and other customers. National Energy Trading and Services Limited (NETS), is involved in the power trading activity.

Property Development Business

Lanco Hills Technology Park Private Limited (LHTPPL) is involved in the development of an integrated IT park named Lanco Hills in approximately 100 acres of land at Manikonda, Hyderabad part of an exclusive "Knowledge Corridor" being promoted by the Government of Andhra Pradesh. The project consists of IT office space, residential buildings, luxury premier hotels, retail and commercial complex.

Resources (Coal) Business

Griffin Coal Mining Company Pty. Ltd. (GCMPL) and Carpenter Mine Management Pty. Ltd. (CMMPL) are incorporated and operating in Australia. These company's principal activities are the exploration, mining and marketing of coal.

2. Basis of preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies have been consistently applied by the group and are consistent with those used in the previous year.

Principles of Consolidation

The financial statements of the Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances, transactions and the unrealised profits/losses on intra-group transactions. Unrealised losses resulting from intragroup transactions are eliminated to the extent cost can be recovered. The consolidated financial statements are drawn up by using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's individual financial statements.

The financial statements of the subsidiaries are consolidated from the date on which effective control is transferred to the company till the date such control exists. The difference between the cost of investments in subsidiaries over the book value of the subsidiaries' net assets on the date of acquisition is recognized as goodwill or capital reserve in the consolidated financial statements.

Equity method of accounting is followed for investments in Associates in accordance with Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements, wherein goodwill / capital reserve arising at the time of acquisition and share of profit or losses after the date of acquisition are included in carrying amount of investment in associates. Unrealized profits and losses resulting from transactions between the Company and Associates are eliminated to the extent of the Company's interest in the associate. Unrealised losses resulting from transactions between the company and Associates are also eliminated unless cost cannot be recovered. Investments in Associates, which are made for temporary purposes, are not considered for consolidation and accounted for as investments.

The financial statements of the group companies and associates used for the purpose of consolidation are drawn up to same reporting date as that of the Company i.e. year ended March 31, 2013.

As per Accounting Standard 21 notified by Companies (Accounting Standards) Rules, 2006 (as amended) Consolidated Financial Statements, only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the consolidated financial statements need not be disclosed in the consolidated financial statements.

Entities considered for consolidation

The financial statements of the following subsidiaries (including the step down subsidiaries) and associates have been considered for consolidation

Sr. No.	Name of company	Country of Incorporation	March 31, 2013		March 31, 2012	
			Relationship	Percentage of Ownership Interest	Relationship	Percentage of Ownership Interest
1	Lanco Power Limited (LPL)	India	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%
2	Lanco Thermal Power Limited (LTPL)	India	Subsidiary of LPL	100.00%	Subsidiary of LPL	100.00%
3	Lanco Kondapalli Power Limited (LKPL)	India	Subsidiary of LTPL	59.00%	Subsidiary of LTPL	59.00%
4	Lanco Tanjore Power Company Limited (LTPCL)	India	Subsidiary of LTPL	58.45%	Subsidiary of LTPL	58.45%
5	Lanco Amarkantak Power Limited (LAPL)	India	Subsidiary of LTPL	100.00%	Subsidiary of LTPL	100.00%
6	Udupi Power Corporation Limited (UPCL)	India	Subsidiary of LTPL	100.00%	Subsidiary of LTPL	69.89%
7	Lanco Anpara Power Limited (LAnPL)	India	Subsidiary of LTPL	100.00%	Subsidiary of LTPL	100.00%
8	Arneb Power Private Limited (ArPPL)	India	Subsidiary of LPL	93.75%	Subsidiary of LPL	93.75%
9	Portia Properties Private Limited (PPPL)	India	Subsidiary of LTPL	99.99%	Associate of LTPL	34.00%
10	Lanco Hydro Power Limited (LHPL) [Formerly Lanco Hydro Power Private Limited)	India	Subsidiary of LPL	100.00%	Subsidiary of LPL	100.00%
11	Lanco Teesta Hydro Power Private Limited (LTHPPL)	India	Subsidiary of LHPL	100.00%	Subsidiary of LHPPL	100.00%
12	Lanco Budhil Hydro Power Private Limited (LBHPPL)	India	Subsidiary of LHPL	100.00%	Subsidiary of LHPPL	100.00%
13	Lanco Mandakini Hydro Energy Private Limited (LMHEPL)	India	Subsidiary of LHPL	100.00%	Subsidiary of LHPPL	100.00%
14	Lanco Rambara Hydro Power Private Limited (LRHPL)	India	Subsidiary of LHPL	100.00%	-	-
15	Diwakar Solar Projects Limited (DSPL)	India	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%
16	Lanco Solar Energy Private Limited (LSEPL)	India	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%
17	Lanco Solar Services Private Limited (LSSPL)	India	Subsidiary of LSEPL	100.00%	Subsidiary of LSEPL	100.00%
18	Lanco Solar Private Limited (LSPL)	India	Subsidiary of LSEPL	100.00%	Subsidiary of LSEPL	100.00%
19	Khaya Solar Projects Private Limited (KSPPL)	India	Subsidiary of LSEPL	100.00%	Subsidiary of LSEPL	100.00%
20	Bhanu Solar Projects Private Limited (BSPPL)	India	Subsidiary of LSEPL	100.00%	Subsidiary of LSEPL	100.00%
21	Lanco Solar Power Projects Private Limited (LSPPPL)	India	Subsidiary of LSEPL	100.00%	Subsidiary of LSEPL	100.00%
22	Orion Solar Projects Private Limited (OSPPL)	India	Subsidiary of LSPPPL	100.00%	Subsidiary of LSPPPL	100.00%
23	Pasiphae Power Private Limited (PPPL)	India	Subsidiary of LSPPPL	100.00%	Subsidiary of LSPPPL	100.00%
24	Sabitha Solar Projects Private Limited (SSPPL)	India	Subsidiary of LSPPPL	100.00%	Subsidiary of LSPPPL	100.00%
25	Helene Power Private Limited (HPPL)	India	Subsidiary of LSPPPL	100.00%	Subsidiary of LSPPPL	100.00%
26	Omega Solar Projects Private limited (OSPPL)	India	Subsidiary of LSPPPL	100.00%	Subsidiary of LSPPPL	100.00%
27	Lanco Wind Power Private Limited (LWPPL)	India	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%
28	Amrutha Power Private Limited (APPL)	India	Subsidiary of LWPPL	100.00%	Subsidiary of LWPPL	100.00%
29	Spire Rotor Private Limited (SRPL)	India	Subsidiary of LWPPL	100.00%	Subsidiary of LWPPL	100.00%
30	Emerald Orchids Private Limited (EOPL)	India	Subsidiary of LWPPL	85.71%	Subsidiary of LWPPL	85.71%
31	JH Patel Power Project Private Limited (JhPL)	India	Subsidiary of LWPPL	99.94%	Subsidiary of LWPPL	99.94%
32	National Energy Trading and Services Limited (NETS)	India	Subsidiary of LITL	99.83%	Subsidiary of LITL	99.83%
33	Mahatamil Mining and Thermal Energy Limited (MMTEL)	India	Subsidiary of LITL	73.90%	Subsidiary of LITL	73.90%
34	Mercury Projects Private Limited (MPPL)	India	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%
35	Lanco Hills Technology Park Private Limited (LHTPPL)	India	Subsidiary of LITL	79.14%	Subsidiary of LITL	79.14%
36	Uranus Projects Private Limited (UPPL)	India	Subsidiary of LITL	99.97%	Subsidiary of LITL	99.97%
37	Jupiter Infratech Private Limited (JIPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of UPPL	100.00%
38	Uranus Infratech Private Limited (UIPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of UPPL	100.00%
39	Leda Properties Private Limited (LPPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of UPPL	100.00%
40	Coral Orchids Private Limited (COPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of UPPL	100.00%
41	Thebe Properties Private Limited (ThPPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of UPPL	100.00%
42	Cressida Properties Private Limited (CrPPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of UPPL	100.00%

Sr. No.	Name of company	Country of Incorporation	March 31, 2013		March 31, 2012	
			Relationship	Percentage of Ownership Interest	Relationship	Percentage of Ownership Interest
43	Nix Properties Private Limited (NiPPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of UPPL	100.00%
44	Cordelia Properties Private Limited (CPPL)	India	Subsidiary of UPPL	99.98%	Subsidiary of UPPL	99.98%
45	Deimos Properties Private Limited (DePPL)	India	Subsidiary of UPPL	99.99%	Subsidiary of UPPL	99.99%
46	Dione Properties Private Limited (DPPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of UPPL	100.00%
47	Neptune Projects Private Limited (NPPL)	India	Subsidiary of UPPL	99.72%	Subsidiary of UPPL	99.72%
48	Pearl Farms Private Limited (PFPL)	India	Subsidiary of UPPL	99.99%	Subsidiary of UPPL	99.99%
49	Telesto Properties Private Limited (TePPL)	India	Subsidiary of UPPL	99.98%	Subsidiary of UPPL	99.98%
50	Lanco International Pte. Limited (LIPL)	Singapore	Subsidiary of LITL	100.00%	Subsidiary of LITL	99.50%
51	Lanco Enterprise Pte. Limited (China)	China	Subsidiary of LIPL	100.00%	Subsidiary of LIPL	100.00%
52	Lanco Infratech Nepal Private Limited (LINPL)	Nepal	Subsidiary of LIPL	100.00%	Subsidiary of LIPL	100.00%
53	LE New York - LLC (LENY)	New York	Subsidiary of LIPL	100.00%	Subsidiary of LIPL	100.00%
54	Lanco Power International Pte. Limited (LPIPL)	Singapore	Subsidiary of LIPL	100.00%	Subsidiary of LIPL	100.00%
55	Lanco Solar International Pte. Limited (LSIPL)	Singapore	Subsidiary of LIPL	100.00%	Subsidiary of LIPL	100.00%
56	Lanco Solar Holding Netherland B.V Utrecht (LSHNBV)	Netherlands	Subsidiary of LSIPL	100.00%	Subsidiary of LSIPL	100.00%
57	Lanco US EPC Branch LLC (LSEB)	USA	-	-	Subsidiary of LSHNBV	100.00%
58	Lanco Solar Canada Limited (LSCL)	Canada	-	-	Subsidiary of LSHNBV	100.00%
59	SolarFi SP 07 (SSP 07)	France	Subsidiary of LSHNBV	100.00%	Subsidiary of LSHNBV	100.00%
60	SolarFi SP 06 (SSP 06)	France	Subsidiary of LSHNBV	100.00%	Subsidiary of LSHNBV	100.00%
61	Lexton Trading (Pty.) Limited (LxTPL)	South Africa	Subsidiary of LSHNBV	100.00%	Subsidiary of LSHNBV	100.00%
62	Approve Choice Investments (Pty.) Limited (ACIL)	South Africa	Subsidiary of LxTPL	55.00%	Subsidiary of LxTPL	55.00%
63	Bar Mount Trading (Pty.) Limited (BMTPL)	South Africa	Subsidiary of LxTPL	100.00%	Subsidiary of LxTPL	100.00%
64	Barrelake Investments (Pty.) Limited (BIPL)	South Africa	Subsidiary of LxTPL	80.00%	Subsidiary of LxTPL	80.00%
65	Belara Trading (Pty.) Limited (BTPL)	South Africa	Subsidiary of LxTPL	80.00%	Subsidiary of LxTPL	80.00%
66	Caelamen (Pty.) Limited (CPL)	South Africa	Subsidiary of LxTPL	100.00%	Subsidiary of LxTPL	100.00%
67	Dupondius (Pty.) Limited (DPL)	South Africa	Subsidiary of LxTPL	80.00%	Subsidiary of LxTPL	80.00%
68	Gamblegreat Trading (Pty.) Limited (GTPL)	South Africa	Subsidiary of LxTPL	55.00%	Subsidiary of LxTPL	55.00%
69	Filten Trading (Pty.) Limited (FTPL)	South Africa	-	-	Subsidiary of LxTPL	100.00%
70	K2011103835 (Pty.) Limited (KPL)	South Africa	-	-	Subsidiary of FTPL	100.00%
71	Lanco Solar International Limited (LSIL UK)	United Kingdom	Subsidiary of LSHNBV	100.00%	Subsidiary of LSHNBV	100.00%
72	Lanco Solar International GMBH (LSI GMBH)	Germany	Subsidiary of LSIL UK	100.00%	Subsidiary of LSIL UK	100.00%
73	Lanco Solar International US Inc. (LSI USA)	USA	Subsidiary of LSIL UK	100.00%	Subsidiary of LSIL UK	100.00%
74	Lanco Rocky Face Land Holdings LLC (LRFLH)	USA	Subsidiary of LSI USA	100.00%	Subsidiary of LSI USA	100.00%
75	Lanco Tracy City Land Holdings LLC (USA) (LTCLH)	USA	Subsidiary of LSI USA	100.00%	Subsidiary of LSI USA	100.00%
76	Lanco IT PV Investments B.V. (LITPV)	Italy	Subsidiary of LSHNBV	100.00%	Subsidiary of LSHNBV	100.00%
77	Tiper Solaire SAS (TSS)	South Africa	-	-	Subsidiary of LITPV	51.00%
78	Apricus S.R.L (ASRL)	Italy	Subsidiary of LITPV	100.00%	Subsidiary of LITPV	100.00%
79	Green Solar SRL (GSSRL)	Italy	Subsidiary of LITPV	100.00%	Subsidiary of LITPV	100.00%
80	Lanco US PV Investments B.V. (LUSPV)	Italy	Subsidiary of LSHNBV	100.00%	Subsidiary of LSHNBV	100.00%

Sr. No.	Name of company	Country of Incorporation	March 31, 2013 Relationship		March 31, 2012 Relationship	
			Relationship	Percentage of Ownership Interest	Relationship	Percentage of Ownership Interest
81	Lanco Solar Holdings LLC (USA) (LSH USA)	USA	Subsidiary of LUSPV	100.00%	Subsidiary of LUSPV	100.00%
82	Lanco Virgin Islands - 1 LLC (LVI)	USA	Subsidiary of LSH USA	100.00%	-	-
83	Lanco SP PV 1 Investments B.V. (LSPPV)	Spain	Subsidiary of LSHNBV	100.00%	Subsidiary of LSHNBV	100.00%
84	Lanco Solar Project Development S.L.U (LSPD)	Spain	-	-	Subsidiary of LSPPV	100.00%
85	Lanco Resources International Pte. Limited (LRIPL)	Singapore	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%
86	Lanco Holding Netherland B.V. (LHNBV)	Netherlands	Subsidiary of LRIPL	100.00%	Subsidiary of LRIPL	100.00%
87	Lanco Energy Africa (Proprietary) Limited (LEA)	South Africa	-	-	Subsidiary of LHNBV	100.00%
88	P.T Lanco Indonesia Energy (LInE)	Indonesia	Subsidiary of LHNBV	100.00%	Subsidiary of LHNBV	100.00%
89	Lanco Resources Australia Pty. Limited (LRAPL)	Australia	Subsidiary of LRIPL	100.00%	Subsidiary of LRIPL	100.00%
90	The Griffin Coal Mining Company Pty. Limited (GCM)	Australia	Subsidiary of LRAPL	100.00%	Subsidiary of LRAPL	100.00%
91	Carpenter Mine Management Pty. Limited (CMM)	Australia	Subsidiary of LRAPL	100.00%	Subsidiary of LRAPL	100.00%
92	Western Australia Coal Terminal Pty. Ltd.(WAC)	Australia	Subsidiary of LRAPL	100.00%	-	-
93	Lanco Infratech (Mauritius) Limited (LIML)	Mauritius	Subsidiary of LIPL	100.00%	Subsidiary of LITL	100.00%
94	Bhola Electricity Pvt. Ltd.	Bangladesh	Subsidiary of LITL	100.00%	-	-
95	Lanco Kanpur Highways Limited (LKHL)	India	Subsidiary of LITL	99.99%	Subsidiary of LITL	99.99%
96	Lanco Vidarbha Thermal Power Limited (LVTPL)	India	Associate of LTPL	26.68%	Associate of LTPL	26.68%
97	Genting Lanco Power (India) Private Limited (GLPIPL)	India	Associate of LITL	26.00%	Associate of LITL	26.00%
98	Himavat Power Private Limited (HPPL)	India	Associate of LTPL	26.67%	Associate of LTPL	26.67%
99	Pragdisa Power Private Limited (PrPPL)	India	Associate of LITL	26.00%	Associate of LITL	26.00%
100	Vainateya Power Private Limited (VPPL)	India	Associate of LITL	26.00%	Associate of LTPL	26.00%
101	Avior Power Private Limited (AVPPL)	India	Associate of LITL	26.00%	Associate of LITL	26.00%
102	Mirach Power Private Limited (MiPL)	India	Associate of LITL	26.00%	Associate of LITL	26.00%
103	Lanco Hoskote Highway Limited (LHHL)	India	Associate of LITL	26.42%	Associate of LITL	26.42%
104	Lanco Devihalli Highways Limited (LDHL)	India	Associate of LITL	26.10%	Associate of LITL	26.10%
105	Bay of Bengal Gateway Terminal Private Limited (BBGTPL)	India	Associate of LITL	26.00%	Associate of LITL	26.00%
106	Charon Trading Private Limited (CTPL)	India	Associate of LTPL	34.00%	Associate of LTPL	34.00%
107	Mimas Trading Private Limited (MTPL)	India	Associate of LTPL	50.00%	Associate of LTPL	50.00%
108	Ananke Properties Private Limited (AnPPL)	India	Associate of LITL	26.03%	Associate of LITL	26.03%
109	Tethys Properties Private Limited (TPPL)	India	Associate of LITL	26.03%	Associate of LITL	26.03%
110	Bianca Properties Private Limited (BiPPL)	India	Associate of LITL	26.03%	Associate of LITL	26.03%
111	Belinda Properties Private Limited (BePPL)	India	Associate of LITL	26.03%	Associate of LITL	26.03%
112	Phoebe Trading Private Limited (PTPL)	India	Associate of LTPL	34.00%	Associate of LTPL	34.00%
113	Basava Power Private Limited (BPPL)	India	Associate of MPPL	26.00%	Associate of MPPL	26.00%
114	Siddheswara Power Private Limited (SiPPL)	India	Associate of MPPL	26.00%	Associate of MPPL	26.00%
115	Regulus Power Private Limited (RPPL)	India	Associate of LTPL	45.10%	Associate of LTPL	45.10%
116	DDE Renewable Energy Pvt. Ltd. (DREPL)	India	Associate of LSEPL	49.00%	Associate of LSEPL	49.00%
117	Electromech Maritech Pvt. Ltd. (EMPL)	India	Associate of LSEPL	49.00%	Associate of LSEPL	49.00%
118	Finehope Allied Engg. Pvt. Ltd. (FAPPL)	India	Associate of LSEPL	38.00%	Associate of LSEPL	38.00%
119	KVK Energy Ventures Pvt. Ltd. (KEVPL)	India	Associate of LSEPL	49.00%	Associate of LSEPL	49.00%
120	Newton Solar Private Limited (NSPL)	India	Associate of LSEPL	26.00%	Associate of LSEPL	26.00%
121	Saidham Overseas Pvt. Ltd. (SOPL)	India	Associate of LSEPL	35.00%	Associate of LSEPL	35.00%
122	Vasavi Solar Power Pvt. Ltd. (VSPPL)	India	Associate of LSEPL	49.00%	Associate of LSEPL	49.00%

2.1 Summary of significant accounting policies

i. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India (Indian GAAP) requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

ii. Revenue Recognition

Revenue is recognised based on the nature of activity to the extent it is probable that the economic benefits will flow to the group and revenue can be reliably measured.

The group collects service tax, sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the group. Hence, they are excluded from revenue. The following specific recognition criteria must also be met before revenue is recognised:

EPC and Construction Services

For EPC and construction contracts, contract prices are either fixed or subject to price escalation clauses.

Revenues are recognised on a percentage of completion method measured on the basis of stage of completion which is as per joint surveys and work certified by the customers.

Profit is recognised in proportion to the value of work done (measured by the stage of completion) when the outcome of the contract can be estimated reliably.

The estimates of contract cost and the revenue thereon are reviewed periodically by management and the cumulative effect of any changes in estimates in proportion to the cumulative revenue is recognised in the period in which such changes are determined. When the total contract cost is estimated to exceed total revenues from the contract, the loss is recognised immediately.

Amounts due in respect of price escalation claims and/or variation in contract work are recognised as revenue only if the contract allows for such claims or variations and/or there is evidence that the customer has accepted it and are capable of being reliably measured.

Liquidated Damages/Penalty as per the Contracts entered into with Vendors and contractors are recognised at the end of the Contract or as agreed upon.

Sale of Power

Revenue from sale of energy is recognised on the accrual basis in accordance with the provisions of Power Purchase Agreement. Claims for delayed payment charges and any other claims, which the entities in the group are entitled as per the Power Purchase Agreement, are accounted for in the year of acceptance.

Revenue from sale of infirm power is recognised on accrual basis as per the Central Electricity Regulatory Commission (CERC) norms.

Carbon Credits

Revenue from sale of Verified Emission Reductions (VERs) and Certified Emission Reductions (CERs) is recognised on sale of the eligible credits.

Property Development

Revenue from real estate under development is recognised upon transfer of significant risks and rewards of ownership of such real estate, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the agreement for sale and when the buyer's investment is adequate enough to demonstrate a commitment to pay.

In accordance with the Guidance Note on Recognition of Revenue by Real Estate Developers issued by the Institute of Chartered Accountants of India (the "ICAI") the Revenue from sale of residential and commercial properties is recognised on the "percentage of completion method". Percentage of completion is determined on the basis of actual project cost (including cost of Land) incurred thereon to total estimated project cost, where the actual cost is 25 percent or more of the total estimated project cost. Where the total cost of a contract, based on technical and other estimates is expected to exceed the corresponding contract value, such expected loss is provided for.

In case it is unreasonable to expect ultimate collection from sale of residential units, the revenue recognition is postponed to the extent of uncertainty involved.

For determining whether it is unreasonable to expect ultimate collection, the entities in the group considers the evidence of the buyer's commitment to make the complete payment. Where the ability to assess the ultimate collection with reasonable certainty is lacking at the time of all significant risks and rewards of ownership are transferred to the buyer, revenue recognition is postponed to the extent of uncertainty involved.

Sale of Coal

Revenue from the sale of coal is recognised when the substantial risks and rewards of ownership are transferred to the buyer.

Insurance Claims

Insurance claims are recognised on acceptance / actual receipt of the claim, whichever is earlier.

Management Consultancy

Income from project management / technical consultancy is recognized as per the terms of the agreement on the basis of services rendered.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

iii. Tangible Fixed Assets

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of tangible fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work-in-Progress.

The activities necessary to prepare an asset for its intended use or sale extend to more than just physical construction of the asset. It may also include technical (DPR, environmental, planning, Land acquisition and geological study) and administrative work such as obtaining approvals before the commencement of physical construction.

The Ministry of Corporate Affairs, Government of India vide its Notification No. GSR 225(E) dated March 31, 2009 has announced Companies Accounting Standards (Amendment) Rules 2009 prescribing changes to Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates' and further amended by notification dated December 29, 2011.

Pursuant to the above mentioned notifications, the group & its associates have selected the option given in Paragraph 46A of the Accounting Standard – 11, "The Effects of Changes in Foreign Exchange Rates" with effect from April 1, 2011, the foreign exchange (gain)/loss arising on revaluation on long term foreign currency monetary items in so far as they relate to the acquisition of depreciable capital assets to be depreciated over the balance life of such assets and in other cases the foreign exchange (gain)/loss to be amortised over the balance period of such long term foreign currency monetary items. LKPL, LAPL, LVTPL, LHTPPL, LTPCL and HPPL had already exercised the option given in para 46 of the Accounting Standard - 11 in respect of accounting periods commencing on or after December 7, 2006.

iv. Mining Assets

Deferred overburden

In case of coal business, the group company determines from surveys and geological modeling the total overburden and coal within a block; this provides a Block ratio. As mining occurs, the actual ratio mined is compared to the Block ratio. When the actual ratio is higher this is an indicator of additional overburden removed compared to coal mined. The costs of moving this additional overburden which relate to more than one period are carried forward and written off over the periods to which the benefit of the overburden moved relates.

Exploration and evaluation

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to the operational activities in a particular area of interest. Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Development

Development expenditure is recognised at cost less accumulated amortisation and any impairment losses. Where commercial production in an area of interest has commenced, the associated costs are amortised over the estimated economic life of the mine on a units of production basis.

Changes in factors such as estimates of proved and probable reserves that affect unit of production calculations are dealt with on a prospective basis.

v. Intangible Fixed Assets

Intangible fixed assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible fixed asset when the entities in the group can demonstrate:

- the technical feasibility of completing the intangible fixed asset so that it will be available for use or sale;
- its intention to complete the asset and use or sell it;
- its ability to use or sell the asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible fixed asset during development.

Any expenditure so capitalised is amortised over the period of expected future sales from the related project.

The carrying value of development costs is reviewed for

impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible assets under installation or under construction as at the Balance Sheet date are shown as Intangible assets under development.

vi. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

vii. Depreciation / Amortisation:

Tangible Fixed Assets:-

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher. Assets costing ₹ 5,000/- or less are fully depreciated in the year of acquisition.

Leasehold land is amortised over the period of the lease.

Leasehold improvements included in "furniture and fixtures" are amortised over the period of lease or estimated useful life whichever is shorter.

Certain project related assets including temporary structures are depreciated over the respective estimated project periods. Depreciation on 'Wooden Scaffoldings' is provided at 100%, and 'Metal Scaffoldings' is written off over a period of 3 years, which are grouped under plant and machinery.

In case of GCM, depreciation/amortisation of the mining assets is charged in proportion to the depletion of the economically viable mineral reserves i.e. extraction of coal from the mines.

In case of LHPL and LTPL, applying depreciation rate 2.714% PA on Hydraulic Works and Plant & Machinery, pursuant to order Nos. 45/5/2010-CL-III, 45/3/2011-CL-III, respectively from the Ministry of Corporate Affairs, Government of India, special rate of depreciation as per Section 205 (2)(d) and Section 205 (2)(c) of Companies Act, 1956 respectively.

In respect of additions/deletions to the fixed assets/ leasehold improvements, depreciation is charged from the date the asset is ready to use/up to the date of deletion.

Depreciation on adjustments to the historical cost of the assets on account of reinstatement of long-term borrowings in foreign currency, if any, is provided prospectively over the residual useful life of the asset.

Intangible Fixed Assets:-

Computer Software is amortized over an estimated useful life of 4 years. Briquetting Technology Asset is amortized over an estimated useful life of 20 years.

viii. Investments

Investments, those are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

ix. Inventories

Construction materials, raw materials, Consumables, Stores and Spares are valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.

Construction Work-in-progress related to project works is valued at lower of cost and net realizable value whichever is lower, where the outcome of the related project is estimated reliably. Cost includes cost of materials, cost of borrowings and other related overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

In case of LHTPPL, Development Work-in-progress related to project works is valued at cost or estimated net realizable value whichever is lower, till such time the outcome of the related project is ascertained reliably and at contractual rates thereafter. Cost includes cost of land, cost of materials, cost of borrowings to the extent it relates to specific project and other related project overheads.

x. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist

of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowing of funds.

xi. Duty Drawback Claims

Claims for duty drawback are accounted for on accrual basis when the conditions attached to the duty draw back are complied with and collection is reasonably certain.

xii. Employee Benefits

Employee Benefits are charged to the statement of profit and loss for the year and for the projects under construction stage are capitalized as other direct cost in the capital work in progress/intangible asset under development.

i. Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are recognised when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

ii. Gratuity liability is defined benefit obligations and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

iii. Retention bonus and Compensated absences are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each Financial Year.

iv. The amount of Non-current and Current portions of employee benefits is classified as per the actuarial valuation at the end of each financial year.

xiii. Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of group at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Exchange difference arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to acquisition/construction of a depreciable capital asset, are capitalised and depreciated over the balance life of the asset and in other cases are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the group's financial statements and amortised over the balance period of such long term asset or liability, by recognition as income or expense in each of such period foreign currency monetary items. For this purpose, the group treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

Forward Exchange Contracts not intended for trading or speculation purposes

Forward exchange contracts or any other financial instruments that is in substance a forward exchange contract to hedge the foreign currency risks the premium or discount arising at the inception of the contract is amortised as expenses or income over the life of the contract. Exchange differences arising on such contracts are recognised in the period in which they arise.

Derivative Instruments

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under (AS) - 11, Accounting for the Effects of Changes in Foreign Exchange Rates are marked to market on a portfolio basis, and the loss is charged to the statement of profit and loss. Gains are ignored.

Translation of Non-Integral Foreign Operations

Financial statements of non-integral foreign operations are translated as under:

i) Assets and Liabilities both monetary and non-monetary are translated at the rate prevailing at the end of the year.

ii) Income and expense items are translated at exchange rates at the dates of the transactions

Exchange differences arising on translation of non-integral foreign operations are accumulated in the foreign currency translation reserve until the disposal of such operations.

xiv. Leases

Operating Lease

As Lessee

Assets acquired on leases where a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Lease rentals are arrived on straight line basis and charged to the Statement of profit and loss on accrual basis.

As Lessor

Assets given on leases where a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Lease rentals are recognised in the statement of profit and loss on accrual basis.

Finance Lease

Finance leases, which effectively transfer to the group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognised as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the group will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

xv. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xvi. Employee Stock Option Scheme

The group has formulated an Employees Stock Option Scheme to be administered through a Trust. The scheme provides that subject to continued employment with the Company or the group, employees of the Company and its subsidiaries are granted an option to acquire equity shares of the Company that may be exercised within a specified period. The group follows the intrinsic value method for computing the compensation cost for all options granted which will be amortised over the vesting period.

xvii. Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the applicable tax laws. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the entities in the group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the entities in the group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The entities in the group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

xviii. Minimum Alternative Tax (MAT)

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the entities in the group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The entities in the group reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that entities in the group will pay normal Income Tax during the specified period.

xix. Provisions and Contingent Liabilities

A provision is recognised when the entities in the group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the entities in the group expect some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold or service provided. Provision is based on Industry/historical experience. The estimate of such warranty-related costs is revised annually.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the entities in the group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The entities in the group do not recognise a contingent liability but discloses its existence in the financial statements.

Liquidated Damages/Penalty as per the contracts entered into with contractees are provided for at the end of contract or as agreed on.

xx. Operations and Maintenance

Certain power related subsidiaries of the group had entered into Long-Term Maintenance Agreement (LTMA) for maintenance of the main plant and Long-Term Assured Parts Supply Agreement (LTAPSA) for supply of parts for planned and unplanned maintenance over the term of the agreement. Based on the obligation, amounts payable under the agreements are charged to Statement of profit and loss considering the actual Factored Fired Hours of the Gas Turbines during the year on the basis of average factored hour cost including Customs Duty applicable at the current prevailing rate. Periodical minimum payments are accounted as and when due based on contractual obligations.

xxi. Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

xxii. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

3 Share Capital

(₹ Lakhs)

		As at March 31, 2013	As at March 31, 2012
Authorised	No. Lakhs		
50,000 (March 31, 2012: 50,000) Equity Shares of ₹ 1/- each		50,000.00	50,000.00
Issued, Subscribed and Paid Up	No. Lakhs		
Equity Shares			
24,078.05 (March 31, 2012: 24,078.05) Equity Shares of ₹ 1/- each, fully paid-up		24,078.05	24,078.05
Less: Amount recoverable from LCL - Foundation (ESOP Trust)		153.98	181.54
		23,924.07	23,896.51

3.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2013		March 31, 2012	
	No. Lakhs	₹ Lakhs	No. Lakhs	₹ Lakhs
Equity Shares of ₹ 1/- each, Fully paid-up				
At the Beginning of the year	24,078.05	24,078.05	24,078.05	24,078.05
At the end of the year	24,078.05	24,078.05	24,078.05	24,078.05

3.2 Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 1/- Per share. Each Holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the proportion to the number of equity shares held by the shareholders.

3.3 Share held by holding company

	March 31, 2013		March 31, 2012	
	No. Lakhs	₹ Lakhs	No. Lakhs	₹ Lakhs
Equity Shares of ₹ 1/- each fully paid up held by Lanco Group Limited, the holding company	13,537.12	13,537.12	13,537.12	13,537.12

3.4 Details of Shareholder holding more than 5% shares of the Company

	March 31, 2013		March 31, 2012	
	No. Lakhs	% Holding in the Class	No. Lakhs	% Holding in the Class
Equity Shares of ₹ 1/- each held by Lanco Group Limited, the holding company	13,537.12	56.22	13,537.12	56.22

The above information represents ownership of shares as per register of share holders/members.

3.5 Details of Shares Reserved for issue under Options

For details of shares reserved for issue under Employee Stock Options (ESOP) plan of the company, refer Note No. 45.

4. Reserves and Surplus #

(₹ Lakhs)

	As at March 31, 2013	As at March 31, 2012
Capital Reserve *		
As at the commencement of the year	80,644.28	82,747.67
Add/(less): Additions/utilisations during the year	(5,196.48)	(2,103.39)
	75,447.80	80,644.28
Capital Redemption Reserve		
As at the commencement of the year	1,677.32	-
Add: Additions during the year	-	1,677.32
	1,677.32	1,677.32
Securities Premium Account		
As at the commencement of the year	1,82,115.08	1,79,827.28
Add: Received during the year	3,156.92	-
Add: Premium on account of ESOPs exercised	-	2,287.80
	1,85,272.00	1,82,115.08
Share Option Outstanding Account		
Employee Stock Options (ESOP) Outstanding (net of ESOP Suspense) at the commencement of the year	6,388.01	4,662.71
Add: ESOP Costs recognised during the year	2,311.94	4,013.09
Less: Transfer to Security Premium on account of ESOPs exercised	3,156.92	2,287.79
	5,543.03	6,388.01
General Reserve		
As at the commencement of the year	11,713.71	8,909.96
Add: Amount transferred from Surplus balance in the Statement of Profit and Loss	-	2,803.75
Less: Amount transferred to capital reserve during the period	3.75	-
	11,709.96	11,713.71
Foreign Currency Translation Reserve		
As at the commencement of the year	18,618.63	875.81
Add: Addition During the year	6,832.54	17,742.82
	25,451.17	18,618.63

	As at March 31, 2013	As at March 31, 2012
Surplus in the Statement of Profit and Loss		
As at the commencement of the year	1,45,551.56	1,61,417.24
Add/Less:- Profit/(Loss) for the Year	(1,07,329.46)	(11,203.47)
Less : Appropriations		
Transfer to Capital Redemption Reserves	-	1,677.32
Transfer to General Reserves	(0.42)	2,803.75
Premium paid on buyback of shares by a Subsidiary	-	179.28
Proposed Dividend and Dividend Distribution Tax	1.86	1.86
Total Appropriations	1.44	4,662.21
Net Surplus in the Statement of Profit and Loss	38,220.66	1,45,551.56
	3,43,321.94	4,46,708.59

*On consolidation (after netting off goodwill on consolidation of ₹ 35,308.73 (March 2012: 32,010.45) lakhs.

\# Reserves and Surplus before intra group elimination ₹ 4,94,927.81 (March 2012 : ₹ 5,98,000.58) lakhs. Refer Note No. 33.

5. Long-Term Borrowings (₹ Lakhs)

	Non-Current		Current Maturities	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Rupee Term Loans				
Secured				
From Banks	10,44,308.83	10,48,041.44	1,04,580.48	93,193.72
From Financial Institutions	8,62,863.11	7,22,091.58	49,307.66	37,874.42
Unsecured				
From Banks	42,224.00	26,645.42	26,627.87	44,431.49
From Financial Institutions	-	-	30,000.00	30,000.00
Foreign Currency Term Loans				
Secured				
From Banks	5,62,720.40	5,13,452.21	37,501.40	19,797.56
From Financial Institutions	1,574.75	2,468.30	1,049.53	987.32
Deferred Payment Liabilities #	85,060.44	78,991.50	-	52,661.00
Finance Lease Obligations - Secured	144.29	3,602.41	7,760.28	20,734.29
Hypothecation Loans - Secured				
From Banks	-	1,084.68	1,084.73	1,664.79
From Others	1,538.57	3,993.57	2,455.00	2,400.28
	26,00,434.39	24,00,371.11	2,60,366.95	3,03,744.87
Amount disclosed under the head "Other Current Liabilities" (Note No.11)	-	-	(2,60,366.95)	(3,03,744.87)
Net Amount	26,00,434.39	24,00,371.11	-	-

\# Represents future consideration payable in respect of acquisition of subsidiaries GCMPL & CMMPL.

A. Rupee Term Loan from Banks and Financial Institutions

(₹ Lakhs)

S.No.	Subsidiary / Company Name	Amount of Loan		Rate of Interest **
		From Banks*	From Financial Institutions*	
1	Lanco Infratech Limited (LITL) - the Company	10,351.56 (12,841.94)	7,499.99 (8,571.43)	Mentioned with Terms and Conditions
	Security & Terms and Conditions			
	a) from banks			
	1. ₹ 1,315.38 lakhs, out of which ₹ 330.00 lakhs is Current (March 31, 2012: ₹ 1,643.63 lakhs, out of which ₹ 330.00 lakhs is Current) is secured by way of mortgage on the immovable assets pertaining to the wind turbine generator project and hypothecation of movable assets both present and future of the Company on first charge basis. Rate of interest being PLR-1.50% p.a. Repayable in 40 quarterly installments ending on March 31, 2017. 2. ₹ 1,898.41 lakhs, out of which ₹ 489.08 lakhs is Current (March 31, 2012: ₹ 2,530.14 lakhs, out of which ₹ 523.67 lakhs is Current) is secured by way of mortgage on immovable assets pertaining to solar projects and hypothecation of movable assets both present and future of the Company on first charge basis. Rate of interest being PLR-5.90% p.a. Repayable in 48 quarterly installments after moratorium period of one year ending on September 30, 2023. 3. ₹ 7,137.77 lakhs, out of which 1,605.33 lakhs is current (March 31, 2012: ₹ 8,668.17 lakhs, out of which 1,349.15 lakhs is current) are secured by way of mortgage on the immovable assets pertaining to the Solar Power Projects and hypothecation of movable assets of those projects on first charge basis. Rate of interest being BR+ 3.25% to 4 % p.a. Repayable in 55 structured quarterly installments ending on March 31, 2025.			
	b) from financial institution			
	₹ 7,500.00 lakhs, out of which ₹ 3,214.29 lakhs is Current (March 31, 2012: ₹ 8,571.43 lakhs, out of which ₹ 2,142.86 Lakhs is Current) is secured by way of hypothecation of certain plant and machinery amounting to ₹ 5,003.60 Lakhs on first charge basis and collateral security of land belonging to some of its subsidiaries. Rate of interest being 11.00 % (fixed) p.a. Repayable in 14 half yearly installments ending on January 5, 2016.			
	The Company has not paid principal amount of ₹ 32,444.38 lakhs and interest amount of ₹ 2,715.11 lakhs as on March 31, 2013.			
2	Lanco Amarkantak Power Limited (LAPL)	2,80,330.74 (2,80,871.72)	3,12,214.30 (2,65,769.01)	(10.75 - 16)%
	Security & Terms and Conditions			
	Pursuant to Common Loan Agreement dated August 4, 2005, June 19, 2006 and March 21, 2012 between LAPL and its lenders, the lenders shall at any time after the Commercial Operation Date have the right to convert their respective portion of Outstanding Senior Rupee Debt B Facility into fully paid up equity share value of ₹ 10 each. The outstanding amount of Senior Rupee Debt B facility as on March 31, 2013 ₹ 20,844.63 lakhs (March 31, 2012 is ₹ 21,127.61 lakhs.). Secured by way of first charge ranking *pari-passu* on all immovable properties, both present and future and by way of hypothecation of all movable properties and assets, present and future and also by pledge of equity shares held by promoters. The equity shares to the extent of 77% of LAPL has been pledged for loans borrowed. Further certain loans are also covered by personal guarantee of certain directors and promoters of LAPL. The term loan is repayable in 12 years in quarterly installments. IDFC's term loan is secured by second charge on the movable properties of Unit 1 & 2 of LAPL and pledge of 20% paid up shares of LAPL. Further during the year, term loan of ₹ 65,944.70 lakhs is drawn from banks & financial institutions which is repayable in 12 years in quarterly installments; 6 months post the scheduled date of commercial Operation (COD) or actual COD which-ever is earlier for unit 3 & 4. The loan is secured by first *pari-passu* charge on the immovable properties both present and future.			
	The LAPL has not paid the principal amount of ₹ 3,337.37 lakhs and Interest amount of ₹ 10,518.56 lakhs as on March 31, 2013.			
3	Lanco Kondapalli Power Limited (LKPL)	1,65,405.59 (1,71,665.32)	81,815.70 (76,643.10)	(11.50 - 14.75)%
	Security & Terms and Conditions			
	Term loans availed from Banks and Financial Institutions for Phase II and Phase III are secured by a *pari passu* first charge on all immovable properties of the Company both present and future, all the tangible moveable properties, including movable plant and machinery, machinery spares, equipments, tools and accessories both present and future relating to Phase -I, Phase -II and Phase-III projects, assignment by way of *pari passu* first charge on all the rights, title and interests to all the Receivables, commissions, revenues of whatsoever nature and whatever arising, intangibles, goodwill, uncalled capital, the accounts and book debts, both present and future, the rights, title and interest under the Project Documents duly acknowledged and consented to by the relevant counter parties to such Project Documents all as amended, varied or supplemented from time to time, all the rights, title, interest, benefits, claims and demands whatsoever in the Government approvals and clearances, all the rights, title interest, benefits, claims and demands of the borrower in any letter of credit, guarantee, performance bonds indemnities and securities that may be furnished by the various counter parties under such Project documents, all insurance contracts and insurance proceeds, the rights, title and interest on the Letter of Credit, if any / Escrow account, Retention Accounts including Debt Service accounts (2 quarters), other reserves and any other bank accounts of the Borrower wherever maintained subject to working capital loan, if any, floating charge on all other assets, present and future, of the Borrower including but not limited to goodwill and general undertaking of the Borrower in favour of the Lenders; Pledge of the shares held by Sponsors and Shareholder(s) representing 51% of the issued and paid up share capital of the Borrower. All the aforesaid mortgages, charges, assignments and pledges shall in all respects of Phase II and Phase III lenders along with Working Capital lenders.			
	The LKPL has not paid the principal amount of ₹ 1,041.67 lakhs and interest amount of ₹ 4,926.99 lakhs as at March 31, 2013.			

(₹ Lakhs)

A. Rupee Term Loan from Banks and Financial Institutions

S.No.	Subsidiary / Company Name	Amount of Loan		Rate of Interest **
		From Banks*	From Financial Institutions*	
4	Lanco Tanjore Power Company Limited (LTPCL)	4,886.97 (6,853.74)	-	13% Floating Rate
	Security & Terms and Conditions The loan is repayable in 40 quarterly instalments of ₹ 490 lakhs each along with interest, from the date of loan, viz. July 2005. The loan is secured by way of First Charge on *pari passu* basis by way of an equitable charge by deposit of title deeds of all the immovable properties of LTPCL, both present and future situated at Karuppur village, near Kuttalam in Thiruvidaimaruthur Taluk, Tanjore district, Tamil Nadu and by way of hypothecation of all the movable properties of LTPCL including its movable plant and machinery ,spares, tools, accessories and other movables, both present and future including book debts and further secured by personal guarantees of certain Promoters of LTPCL.			
5	Lanco Anpara Power Limited (LAnPL)	1,54,424.79 (1,42,874.18)	2,30,298.22 (1,35,174.24)	Weighted Average @ 14.16%
	Security & Terms and Conditions Indian Rupee Loan from Banks / Financial; Institutions carries interest at weight average rate 14.16%. The repayment of Rupee term loan has been restructured by the consortium of lenders from 64 (Sixty four) equal quarterly installments to 60 (Sixty) quarterly structured unequal installments along with interest from June 30, 2012. The same has been done to match the cash flows according to the Company. The loan is secured as follows : 1. A first mortgage/hypothecation and charge on all the immovable and movable properties (including all receivables, tangible and intangible properties) of the project both present and future. 2. A first charge/assignment/ security interest on rights, titles and interests of the Company in respect of all assets of the project. 3. A first charge/assignment/security interest on rights, titles and interests of the Company in all project documents/contracts/ licenses including insurance contracts pertaining to the project. 4. A first charge/assignment/security interest of contractor guarantee, performance bonds and any letter of credit that may be provided by any party under the project. 5. A first charge/assignment/security interest on the Irrevocable, no lien Trust and Retention Accounts (TRA) into which all cash inflows from the project. 6. Pledge of 51% of the fully paid up equity share capital of the project as collateral security.			
	The LAnPL has not paid Interest amount of ₹ 7,785.00 lakhs as on March 31, 2013.			
6	Udupi Power Corporation Limited (UPCL)	2,48,992.90 (2,58,067.37)	1,96,940.08 (1,97,526.25)	1) Sr. Debt A (Majorly)- Base Rate (+/-) upto 3.50% 2) Sr. Debt B - 2% over and above applicable interest rate of Sr. Debt A
	Security & Terms and Conditions Pursuant to Common Loan Agreement dated October 17, 2006 in respect of Sr. Rupee Debt B between UPCL and its lenders, each of the Sr. Rupee Debt B Lenders shall at any time after the COD, have the right to convert at their sole option the whole of the outstanding amount or any part of their respective portion of Senior Rupee Debt B Facility into fully paid up equity share value of the Borrower at par. The Sr. Rupee Debt A & Sr. Rupee Debt B loans from the Financial Institutions and Banks are secured by first / second ranking *pari-passu* Security interest created by UPCL as below: (i) mortgage and charge on the UPCL's immovable properties present and future; (ii) hypothecation of UPCL's movable properties and assets present and future including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures and vehicles; (iii) charge on UPCL's operating cash flows, book debts and all the receivables and revenues from the project, all current assets, commissions and any other revenues of what so ever nature and wherever arising, present and future; (iv) charge of all intangible assets including but not limited to goodwill and uncalled capital, present and future; (v) assignment of / charge on (a) all right, title, interest, benefits, claims and demands what so ever in the project documents, all as amended, varied or supplemented from time to time; (b) all the rights, title, interest, benefits, claims and demands what so ever in the clearances and uncalled capital; (c) all the right, title interest benefits, claims and demands what so ever of UPCL in any letter of credit, guarantee, performance bond provided by any party to the project documents; (d) all insurance contracts/ insurance proceeds; (vi) charge on the letter of credit, escrow accounts, trust accounts and other reserves and any other bank account wherever maintained. The above Loans are also secured by a Corporate Guarantee from the LITL. The Loans under Sr Debt B are also guaranteed by three of the persons of Promoter Group Company.			
	The UPCL has not paid the principal amount of ₹ 1,184 lakhs and Interest amount of ₹ 3,065 lakhs as on March 31, 2013.			
7	Lanco Thermal Power Limited (LTPL)	904.19 (1,147.06)	-	Weighted Average @ 14.16%
	Security & Terms and Conditions From a consortium of 5 lenders viz. State Bank of India, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Bikaner & Jaipur for an amount of ₹ 4,182.11 Lakhs, repayable in 36 quarterly installments from June 30, 2009, to June 30, 2018. ₹ 3,277.81 Lakhs has been repaid till March 31, 2013. Indian rupee term loans from Banks are secured by first charge on all the fixed assets of the Company and pledge of 73.34 lakhs Equity Shares of the Company held by Lanco Power Limited on *pari-passu* basis with other members of the consortium.			

A. Rupee Term Loan from Banks and Financial Institutions

(₹ Lakhs)

<table>
<tr><th rowspan="2">S.No.</th><th rowspan="2">Subsidiary / Company Name</th><th colspan="2">Amount of Loan</th><th rowspan="2">Rate of Interest **</th></tr>
<tr><th>From Banks*</th><th>From Financial Institutions*</th></tr>
<tr><td>8</td><td>Lanco Hydro Power Limited (LHPL)</td><td>1,928.78
(2,405.08)</td><td>-</td><td>13.68%</td></tr>
<tr><td></td><td colspan="4">Security & Terms and Conditions</td></tr>
<tr><td></td><td colspan="4">Indian rupee term loans are from a consortium of 5 lenders viz. State Bank of India, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Bikaner & Jaipur for an amount of ₹ 4,170 lakhs (Out Standing Amount of ₹ 1,928.78 lakhs) at the weighted average interest rate of 13.68% pa.The principal is repayable in 36 quarterly installments of ₹ 115.87 lakhs each with 12 months moratorium period, after commencement of commercial operation
Indian rupee term loans from Banks are secured by first charge on all the fixed assets of the LHPL and pledge of 70.89 lakhs Equity Shares of the LHPL held by Lanco Power Limited on pari-passu basis with other members of the consortium.</td></tr>
<tr><td>9</td><td>Lanco Mandakini Hydro Energies Private Limited (LMHEPL)</td><td>39,836.00
(30,582.00)</td><td>-</td><td>(14.60-15.25)%</td></tr>
<tr><td></td><td colspan="4">Security & Terms and Conditions</td></tr>
<tr><td></td><td colspan="4">Indian Rupee Term Loan from consortium of Lenders (Six Banks) carry interest in the range of 14.60- 15.25 % . The sanctioned loan of ₹ 41,600 lakhs is repayable in 60 quarterly instalments of ₹ 693.33 lakhs each along with interest, from December 2013 (including moratarium of one year). The loan is secured by Pledge / First pari passu Charge etc. of all movable & immovable assets of LMHEPL. The Loan is secured by pledge of the 76% of Paid up Equity Share capital of the LMHEPL, however because of change in holding company structure and pending approval from Lenders for the change, the total shares pledged as on March 31, 2013 equivalent to 60%. On receipt of Lenders approval, required steps will be taken for pledge of balance shares and modification of pledge agreement.</td></tr>
<tr><td>10</td><td>Lanco Budhil Hydro Power Private Limited (LBHPPL)</td><td>10,522.12
(11,310.81)</td><td>11,022.34
(11,789.97)</td><td>(12.30 - 14.09)%</td></tr>
<tr><td></td><td colspan="4">Security & Terms and Conditions</td></tr>
<tr><td></td><td colspan="4">Indian Rupee term Loan from Banks and financial institution carries weighted average interest rates at 14.09% p.a.. The interest on term loan is payable on monthly basis, except for HUDCO who charges on quarterly basis. The Drawn loan of ₹ 27,551 lakhs is repayable in quarterly instalments of ₹ 480.28 lakhs, from December 1, 2009 for PNB (including moratorium of Six Months) and from March 1, 2010 for other Lenders (including moratorium of Nine Months). Indian rupee term loans from Banks & Financial Institutions are secured by pledge/ first pari passu charge etc. of all movable and immovable assets. The loan is secured by pledge of the 30% of Paid up Equity Share Capital of the LBHPPL held by holding company.</td></tr>
<tr><td></td><td colspan="4">The LBHPPL has not paid princpal amount ₹ 365.91 lakhs and interest amount of ₹ 620.95 lakhs as on March 31, 2013.</td></tr>
<tr><td>11</td><td>Lanco Teesta Hydro Power Private Limited (LTHPPL)</td><td>89,608.00
(77,031.00)</td><td>72,380.14
(64,492.00)</td><td>(13.00 - 14.75)%</td></tr>
<tr><td></td><td colspan="4">Security & Terms and Conditions</td></tr>
<tr><td></td><td colspan="4">From a consortium of 5 lenders viz. State Bank of India, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Bikaner & Jaipur for an amount of ₹ 4,182.11 Lakhs, repayable in 36 quarterly installments from June 30, 2009, to June 30, 2018. ₹ 3,277.81 Lakhs has been repaid till March 31, 2013.
Indian rupee term loans from Banks are secured by first charge on all the fixed assets of the Company and pledge of 73.34 lakhs Equity Shares of the Company held by Lanco Power Limited on pari-passu basis with other members of the consortium.</td></tr>
<tr><td></td><td colspan="4">The loan is secured by First Charge on all movable/immovable assets of the LTHPPL. The loan is secured by pledge of 30% of Paid up Equity Share capital of the LTHPPL, however because of change in holding company structure and pending approval from Lenders for the change, the total shares pledged as on March 31, 2013 are equivalent to 25.68%. On receipt of Lenders approval, required steps will be taken for modification of pledge agreement and pledging of balance shares.</td></tr>
<tr><td></td><td colspan="4">As per Rupee Facility Agreement the instalments are due after 15 months of Scheduled Commercial Operation Date (COD), May 2012 i.e. August 2013, and accordingly the same has been grouped under current maturities. Approval from lenders towards extension of COD from May 2012 to May 2016 is pending.</td></tr>
<tr><td></td><td colspan="4">The LTHPPL has not paid interest amount of ₹ 3,160.02 lakhs as on March 31, 2013.</td></tr>
<tr><td>12</td><td>Lanco Hills Technology Park Private Limited (LHTPPL)</td><td>74,755.00
(78,405.00)</td><td>-</td><td>(12 - 16.25)%</td></tr>
<tr><td></td><td colspan="4">Security & Terms and Conditions</td></tr>
<tr><td></td><td colspan="4">Phase I - The loan is repayable in 4 yearly instalments of ₹ 9,375 lakhs each ,of which Punjab National Bank is on quarterly instalments of ₹ 375 lakhs per quarter, from the date of loan, viz. June 21, 2006. The loan is secured as first charge, ranking pari-passu, by way of hypothecation of all receivables and movable assets, including plant, machinery equipment, machinery spares, tools, stores, furniture, fixtures, vehicles and other moveable assets, both present and future, and mortgage of 50 acres of Phase I land together with building superstructures, amenities, infrastructure and other immovable assets present and future to be constructed/ developed thereon pertaining to LHTPPL site / division. Further the loan has been guaranteed by the corporate guarantee of the Company.</td></tr>
</table>

(₹ Lakhs)

A. Rupee Term Loan from Banks and Financial Institutions

S.No.	Subsidiary / Company Name	Amount of Loan		Rate of Interest **
		From Banks*	From Financial Institutions*	
	Phase II - The loan is repayable in 10 half-yearly instalments of ₹ 7,500 lakhs each, from the date of loan, viz. August 18, 2008. The loan is Secured as first charge, ranking pari-passu, by way of hypothecation of all receivables and movable assets including movable plant, machinery, spares, tools, stores and accessories, furniture and fixtures, vehicles, building and other immovable assets both present and future of the Phase II of the project in 50 acres of land (present and future to be constructed/ developed and mortgage of 27.29 acres together with building, superstructures, infrastructure, amenities and other immovable assets present and future to be constructed/ developed, part of the above said land) by way of equitable mortgage in Manikonda village with the development rights of LHTPPL. Further secured by way of a third party guarantee by way of an equitable mortgage of land admeasuring 26.39 acres at Siruseri village, Tamilnadu State as collateral security pertaining to Lanco Horizon Pvt. Ltd. and part of the loan is secured by pledge of M/s. Lanco Hydro Power Ltd. shares held by M/s. Lanco Power Ltd. Further the loan has been guaranteed by the corporate guarantee of the company.			
	The LHTPPL has not paid the principal amount of ₹ 375 lakhs & Interest amount of ₹ 1,949 lakhs as on March 31, 2013.			
13	Diwakar Solar Projects Limited (DSPL)	20,000.00 (20,233.56)	-	13.75%
	Security & Terms and Conditions			
	Out of the total loan of ₹ 20,233.56 Lakhs, 80% of the loan is repayable in 48 quarterly unequal instalments starting from September 30, 2014 & ending on June 30, 2026 and 20% shall be paid in single installment with a moratorium period of 12 months from the date of COD. The loan is secured by a rank *pari passu* charge of project on all mortgages, charges, assignments and pledge as per the standard security package and is identified by and between consortium members.			
	The DSPL has not paid interest amount of ₹ 690.37 lakhs as on March 31, 2013.			
14	Khaya Solar Projects Private Limited (KSPPL)	5,281.80 (5,478.53)	-	13.25%
	Security & Terms and Conditions			
	The loan is repayable in 56 quarterly unequal installments with a moratorium period of 6 months from the date of COD . The repayment started from September 30, 2012. The loan is secured by way of pledge of shares of the Company held by the Holding Company, Corporate Guarantee of Lanco Infratech Ltd. (the ultimate holding company) and are secured by way of first charge by way of hypothecation of company`s movable assets, book debts, Intangible Assets, LC/Escrow Account.			
15	Lanco Solar Private Limited (LSPL)	21,660.87 (21,467.85)	-	12.00%
	Security & Terms and Conditions			
	The loan is repayable in 36 unequal quarterly instalments of 2.5% per quarter for first 16 quarters and 3% per quarter for the last 20 quarters along with interest, after the expiry of 39 months from July 15, 2010. The loan is secured by way of pledge of shares of LSPL held by the company, Corporate Guarantee of the Company and are secured by way of hypothecation / Pledge / Mortgage / First Charge etc. of immovable properties both present and future, tangible movable properties including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, equipment, and all other movable fixed assets, both present and future, all the rights, title and interests of the Borrower in and to all the Receivables, Accounts, Other Bank Accounts, Retention Accounts, book debts, operating cash-flows, commissions, other revenues of whatsoever nature and wherever arising, and (ii) all intangible assets including but not limited to goodwill, uncalled capital, both present and future of the LSPL pertaining to poly-silicon and wafer manufacturing plant with capacity of 1250 T and 80 MW respectively at Villages Mehrumkhurd and Chhawardal, Tehsil Rajnandgaon, District Rajnandgaon in the state of Chhatisgarh.			
16	Udupi Power Corporation Limited (UPCL)	20,000 (20,000)	-	-
	Security & Terms and Conditions			
	In case of UPCL, a loan of ₹ 20,000 lakhs has been availed from banks as Mezzanine Debt for which the collateral security is given by LITL by way of corporate guarantee and pledge of 12.50 lakh (₹ 10 each) shares of the Company held by the promoters. None of the assets of UPCL is given as security for the said loan.			
	Total	**11,48,889.31 (11,41,235.16)**	**9,12,170.77 (7,59,966.00)**	

* Previous Year figures are mentioned within the brackets.

** CY means Current Year and PY means Previous Year.

B. Foreign Currency Loan from Banks and Financial Institutions

(₹ Lakhs)

S.No.	Subsidiary / Company Name	Amount of Loan		Rate of Interest **
		From Banks*	From Financial Institutions*	
1	Lanco Infratech Limited (LITL) - the Company	32,791.29 (30,083.48)	-	(0.9-2.02)%
	Security & Terms and Conditions			
	Foreign currency term loans(Buyers Credit) from banks of ₹ 32,791.29 Lakhs (March 31, 2012 : ₹ 30,083.48 lakhs) are secured by way of first charge over the asset as additional security and/or Secured as part of working capital limits from banks by way of first charge of hypothecation of stock/work-in-progress and entire current assets of the Company both present and future on *pari passu* basis or Secured by way of mortgage on immovable assets pertaining to solar projects and hypothecation of movable assets both present and future of the project			
2	Lanco Amarkantak Power Limited (LAPL)	1,22,519.57 (69,952.91)	-	Weighted Average @ 2.79%
	Security & Terms and Conditions			
	Foreign Currency Buyer's Credit has been availed and the same is secured by letter of comfort issued by term loan lenders.			
3	Lanco Kondapalli Power Limited (LKPL)	21,867.81 (23,986.14)	-	1.95%
	Security & Terms and Conditions			
	Buyers credit from Banks for phases II and Phase III are secured by a *pari passu* first charge on all immovable properties of LKPL both present and future, all the tangible movable properties, including movable plant and machinery, machinery spares, equipments, tools and accessories both present and future relating to Phase -I, Phase -II and Phase-III projects, assignment by way of *pari passu* first charge on all the rights, title and interests to all the receivables, commissions, revenues of whatsoever nature and whatever arising, intangibles, goodwill, uncalled capital, the accounts and book debts, both present and future, the rights, title and interest under the Project Documents duly acknowledged and consented to by the relevant counter parties to such Project Documents all as amended, varied or supplemented from time to time, all the rights, title, interest, benefits, claims and demands whatsoever in the Government approvals and clearances, all the rights, title interest, benefits, claims and demands of the borrower in any letter of credit, guarantee, performance bonds indemnities and securities that may be furnished by the various counter parties under such Project documents, all insurance contracts and insurance proceeds, the rights, title and interest on the Letter of Credit, if any/Escrow account, Retention Accounts including Debt Service accounts (2 quarters), other reserves and any other bank accounts of the Borrower wherever maintained subject to working capital loan, if any, floating charge on all other assets, present and future, of the Borrower including but not limited to goodwill and general undertaking of the Borrower in favour of the Lenders; Pledge of the shares held by Sponsors and Shareholder(s) representing 51% of the issued and paid up share capital of the Borrower. All the aforesaid mortgages, charges, assignments and pledges shall in all respects of Phase II and Phase III lenders along with Working Capital lenders.			
4	Lanco Tanjore Power Company Limited (LTPCL)	271.95 (358.10)	2,624.28 (3,455.62)	Banks - 5.159% (6 months LIBOR + 3.50%) Financial Institutions - 10.30% Fixed
	Security & Terms and Conditions			
	Repayable in 40 quarterly instalments of approximately ₹ 27.50 lakhs and ₹ 265.37 lakhs, for banks and financials institutions respectively, each along with interest, from the date of loan, viz. July 2005. The loan is secured by way of First Charge on *pari passu* basis by way of an equitable charge by deposit of title deeds of all the immovable properties of LTPCL, both present and future situated at Karuppur village, near Kuttalam in Thiruvidaimaruthur Taluk, Tanjore district, Tamil Nadu and by way of hypothecation of all the movable properties of LTPCL including its movable plant and machinery, spares, tools, accessories and other movables, both present and future including book debts and further secured by personal guarantees of certain Promoters of LTPCL.			
5	Lanco Anpara Power Limited (LAnPL)	Nil (65,137.92)	-	Weighted Average @ 14.28%
	Security & Terms and Conditions			
	Refer Note 5 of Rupee Term Loan under long term borrowings			
6	Lanco Hills Technology Park Private Limited (LHTPPL)	37,392.64 (45,017.72)	-	9.38%
	Security & Terms and Conditions			
	The loan is repayable in 5 Half- yearly instalments of different amounts of USD 220, 192.50 ,192.50, 275 and 220 lakhs, from the date of loan, viz. April 28, 2008. The loan is secured by pledge of shares of the company held by M/s. Lanco Group Limited.			
	The LHTPPL has not paid principal amount of ₹ 10,470.00 lakhs as on March 31, 2013.			

(₹ Lakhs)

B. Foreign Currency Loan from Banks and Financial Institutions

S.No.	Subsidiary / Company Name	Amount of Loan From Banks*	Amount of Loan From Financial Institutions*	Rate of Interest **
7	Lanco Solar Private Limited (LSPL)	28,843.08 (18,907.48)	-	(1.99 to 2.14)%
	Security & Terms and Conditions			
	Foreign Currency Loan (Buyers Credit) from Banks is part of total Rupee Term Loan sanctioned by the banks and the loan is secured by way of pledge of shares of LSPL held by the company, Corporate Guarantee of the company and are secured by way of hypothecation / Pledge / Mortgage / First Charge etc. of immovable properties both present and future, tangible movable properties including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, equipment, and all other movable fixed assets, both present and future, all the rights, title and interests of the Borrower in and to all the Receivables, Accounts, Other Bank Accounts, Retention Accounts, book debts, operating cash-flows, commissions, other revenues of whatsoever nature and wherever arising, and (ii) all intangible assets including but not limited to goodwill, uncalled capital, both present and future of the LSPL pertaining to poly-silicon and wafer manufacturing plant with capacity of 1250 T and 80 MW respectively at Villages Mehrumkhurd and Chhawardal, Tehsil Rajnandgaon, District Rajnandgaon in the state of Chhatisgarh.			
8	Lanco Resource International Pte. Limited (LRIPL)	67,945.00 (63,945.63)	-	LIBOR + 4.1%
	Security & Terms and Conditions			
	Secured against the corporate guarantee of the Company.			
9	Lanco Resource Australia Pty. Limited (LRAPL)	2,86,776.45 (2,14,147.31)	-	LIBOR + 4.1%
	Security & Terms and Conditions			
	Secured against the corporate guarantee of the Company.			
10	Apricus SRL	1,814.01 (1,713.08)	-	7.59%
	Security & Terms and Conditions			
	Repayable in 18 years at fixed rate of 7.59% with 36 installments from October 2012 to October 2018 and variable interest rate from October 2018. The loan is secured by way of pledge on shares of Apricus SRL.			
	Total	**6,00,221.80 (5,33,249.77)**	**2,624.28 (3,455.62)**	

C.	Deferred Payment Liability	85,064.44 (1,31,652.50)	-	
	Represents deferred consideration payable in respect of acquisition of subsidiaries (GCM & CMM) during the previous year.			
D.	Finance Lease Obligation	-	7,904.57 (24,336.70)	
	Secured by the Plant and Machinery taken under Finance Lease Agreement.			
E.	Hypothecation Loans	1,084.73 (2,749.47)	3,993.57 (6,393.85)	(9.00 - 14.00)%
	Secured by hypothecation of specific construction equipment/ vehicles acquired out of such loans. These loans are repaid on agreed monthly installments.			
F.	Unsecured Loans	68,851.87 (71,076.91)	30,000 (30,000)	11.5%
	The Companies unsecured loans from banks are guaranteed by way of pledge of shares of the company held by the promoters and/ or shares of a subsidiary held by another subsidiary. Out of these, ₹15,192.98 lakhs (March 31, 2012: ₹14,989.57 lakhs) bearing interest @ BR+ 5% p.a. is repayable in 4 quarterly installments ending on March 31, 2017; ₹ 20,669.56 lakhs (March 31, 2012: ₹ 19,977.42 lakhs) bearing interest @ BR + 3.50% is repayable in a single bullet payment by October 31, 2013; ₹ 25,306.35 lakhs (March 31, 2012: ₹ 24,997.92 lakhs) bearing interest @ BR+3.50 % is repayable in 5 structured installments ending on September 24, 2015 and remaining loan of ₹ 7,682.98 lakhs(March 31, 2012: ₹ 11,112.00 lakhs) bearing interest rate of PLR -1% is repayable in 18 quarterly installments with moratorium of 6 months ending on December 30, 2014. Further, in case of the Company a loan of ₹ 30,000 lakhs from financial institutions has become unsecured in the current year for which collateral securities have been provided by way of pledge of shares of a subsidiary held by another subsidiary and also by pledge of shares of the Company held by one of the promoters. Repayable in a single bullet payment after expiry of 3 years from the date of Disbursment, i.e., January 29, 2013.			

* Previous Year figures are mentioned within the brackets.

** LIBOR means London Inter Bank Offer Rate and BPS means Basis Points.

6.1 Deferred Tax Liability (net)

(₹ Lakhs)

	As at March 31, 2013	As at March 31, 2012
Deferred Tax Liability		
Differences in Written Down Value in Block of Fixed Assets as per Tax Books and Financial books	73,930.40	72,683.39
Gross Deferred Tax Liability	73,930.40	72,683.39
Deferred Tax Asset		
Provision for Gratuity and Compensated Absences	374.64	211.23
Provision for Incentives and Exgratia	8.54	-
Provision for Other Disallowances	9,440.43	752.76
Gross Deferred Tax Asset	9,823.61	963.99
Deferred Tax Liability (net)	64,106.79	71,719.40

6.2 Deferred Tax Asset (net)

(₹ Lakhs)

	As at March 31, 2013	As at March 31, 2012
Deferred Tax Liability		
Differences in Written Down Value in Block of Fixed Assets as per Tax Books and Financial books	7,489.13	2,982.74
Gross Deferred Tax Liability	7,489.13	2,982.74
Deferred Tax Asset		
Provision for Gratuity and Compensated Absences	1,213.46	1,624.88
Provision for Doubtful Debts	489.82	293.56
Provision for Lease Equalisation Reserve	179.61	145.09
Provision for Incentives and Exgratia	1,065.79	941.49
Carry Forward Losses as per the Income Tax Act, 1961	6,471.39	1,606.41
Provision for Other Disallowances	1,736.56	1,129.14
Gross Deferred Tax Asset	11,156.63	5,740.57
Deferred Tax Asset (net)	3,667.50	2,757.83

7. Other Long-Term Liabilities

(₹ Lakhs)

	As at March 31, 2013	As at March 31, 2012
Trade Payables (including acceptances)	30,232.59	20,661.27
Others		
Amount payable in respect of Purchase of Fixed Assets / EPC contracts	1,119.71	-
Advances from Customers	3,27,042.13	3,56,096.58
Other Liabilities	2,133.75	535.35
	3,60,528.18	3,77,293.20

8. Provisions

(₹ Lakhs)

	Long Term		Short Term	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Provision for Leave Encashment	3,165.81	3,948.19	939.71	1,892.44
Provision for Gratuity	1,394.18	1,410.65	458.29	381.96
Provision for Bonus	38.04	136.64	333.51	148.49
Provision for Retention Bonus	3,230.99	1,632.13	1,468.88	1,650.99
Provision for Other Employee Benefits	-	87.81	784.15	1,421.05
Provision for Taxation (Net of Advance taxes)	27.03	-	6,668.21	8,073.62
Provision for Operations and Maintenance	-	1,704.74	2,382.62	845.11
Provision for Lease Equalisation	548.74	434.74	-	12.46
Proposed Preference Dividend	-	-	1.86	1.86
Provision for Mine restoration	28,521.52	22,507.37	545.63	506.70
Provision for warranty	35,160.36	25,998.90	-	-
Other Provisions	-	-	4,842.97	1,891.90
	72,086.67	57,861.17	18,425.83	16,826.58

9 Short-Term Borrowings

(₹ Lakhs)

	As at March 31, 2013	As at March 31, 2012
Cash Credits and Working Capital Demand Loan from Banks (Secured)	3,51,937.44	2,52,267.36
Rupee Loans and Advances		
Secured		
From Banks	41,000.00	10,000.00
From Financial Institutions	-	15,000.00
Unsecured		
From Banks	-	436.10
Foreign Currency Loans and Advances		
Secured		
From Banks	1,44,119.35	1,41,173.20
Loans and Advances from Related Parties (Note No. 48)		
Unsecured		
Rupee Loans and Advances	194.58	-
	5,37,251.37	4,18,876.66

Short Term Borrowings

A. Cash Credits and Working Capital Demand Loan

(₹ Lakhs)

S. No.	Subsidiary / Company Name	Amount of Loan From Banks*	Rate of Interest	Security & Terms and Conditions
1	Lanco Infratech Limited (LITL) - the Company	2,33,975.67 (1,88,051.48)	(13.00-16.40)%	Secured by a first charge by way of hypothecation of stock / work-in-progress and entire current assets of the company both present and future, on *pari passu* basis with a term loan lender of ₹ 2,33,975.67 lakhs (March 31, 2012: ₹ 1,88,051.48 lakhs) and other working capital lenders under multiple banking arrangement. The company has not paid principal amount of ₹ 24,797.44 lakhs and interest amount of ₹ 1,634.51 lakhs as on March 31, 2013.
2	Lanco Kondapalli Power Limited (LKPL)	6,853.07 (6,426.05)	(10.25 - 15.75)%	Secured by way of charge on LKPL's inventories, consumable stores, book debts and all the movable properties of LKPL including its movable plant and machinery, spares, tools, accessories and other movables both present and future and further secured by way of a equitable charge by deposit of title deeds of all the immovable properties of LKPL situated at Krishna District in the State of Andhra Pradesh, both present and future ranking *pari passu* with charges created for securing term loans of LKPL and secured on a pari passu basis by way of registered mortgage of LKPL's freehold properties in the State of Maharashtra and assignment of project contracts. Further secured by pledge of a portion of shares held by promoters. The cash credit is repayable on demand.
3	Lanco Tanjore Power Company Limited (LTPCL)	5,493.54 (2.57)	14.05% Floating	Secured by way of First Charge on *pari passu* basis by way of an equitable charge by deposit of title deeds of all the immovable properties of LTPCL, both present and future situated at karuppur village, near kuttalam in Thiruvidaimaruthur taluk, tanjore district, Tamil Nadu and by way of hypothecation of all the movable properties of LTPCL including its movable plant and machinery, spares, tools, accessories and other movables, both present and future including book debts and further secured by personal guarantees of certain Promoters of LTPCL. The loan is repayable on demand.
4	Lanco Amarkantak Power Limited (LAPL)	26,263.12 (26,678.14)	(13.50 - 15.00)%	Secured by way of first charge to the extent of ₹ 11,500 lakhs each in unit-1 and 2 & second charge for the remaining amount ranking *pari-passu* on all immovable and movable properties including movable plant, machinery, equipment, machinery spares, tools, accessories, furniture, vehicles and all other movable assets, both present and future, whether installed or not or in the course of transit or high seas or on order or delivery and book debts and all the receivables and revenues from the projects, all current assets, commissions and any other revenue, present and future.

Short Term Borrowings

A. Cash Credits and Working Capital Demand Loan

(₹ Lakhs)

S. No.	Subsidiary / Company Name	Amount of Loan From Banks*	Rate of Interest	Security & Terms and Conditions
5	Udupi Power Corporation Limited (UPCL)	21,935.74 (10,822.33)	(13.50 - 15)%	The Security given to Senior Rupee Debt A and Senior Rupee Debt B Lenders shall rank *pari passu* among the participating Senior Rupee Debt A and Senior Rupee Debt B Lenders and the Working Capital Lenders. The Security Interest in the context of Working Capital Lenders shall secure the working capital facility to a maximum extent of ₹ 69,000 lakhs.
6	Lanco Anpara Power Limited (LAnPL)	42,873.57 (16,732.75)	(13.75 - 14.50)%.	Secured as follows : 1. First *pari passu* charges on present and future current assets of the Borrower (both present and future) 2. First *pari passu* charges on all movable and immovable fixed assets of the Borrower (both present and future) 3. First *pari passu* charge/ assignment/ security interest of contractor guarantees, performance bonds and any letter of credit that may be provided by any party under the project. 4. First *pari passu* charge/ assignment/ security interest of rights, titles and the interests of the borrower in all project documents/ contracts/ licenses including insurance contracts pertaining to the project. Letter of Comfort for an amount of ₹ 13,000 Lakhs provided by LITL. The Cash Credit is repayable on demand. 5. The LAnPL has not paid interest amount of ₹ 4,654.33 lakhs as on March 31, 2013 .
7	National Energy Trading & Services Private Limited (NETS)	Nil (3,554.04)	(14.25 - 15.00)%.	Secured by hypothecation of book debts and other current assets both present and future on *parri passu* basis and second charge on movable and immovable properties and also guaranteed by issue of Letter of Comfort by NETS. The Cash Credit is repayable on demand.
8	Lanco Solar Energy Private Limited (LSEPL)	14,542.73 (Nil)	(13.00-13.50)%	Secured by hypothecation of book debts and other current assets both present and future on *parri passu* basis and second charge on movable and immovable properties and also guaranteed by issue of Letter of Comfort by LSEPL. The Cash Credit is repayable on demand.
	Total	**3,51,937.44 (2,52,267.36)**		

* Previous Year figures are mentioned within the brackets.

B. Rupee Term Loan from Banks / Financial Institutions

(₹ Lakhs)

S. No.	Subsidiary / Company Name	Amount of Loan		Rate of Interest **	Security & Terms and Conditions
		From Banks*	From Financial Institutions*		
1	Udupi Power Corporation Limited (UPCL)	31,000.00 (Nil)	(Nil) (15,000.00)	13.75% with reset after 90 days	Out of ₹ 31,000.00 Lakhs loan Taken from Banks One Bullet payment of ₹ 15,000 Lakhs has to be made at the end of 35 months from the date of disbursement. And ₹ 16,000 lakhs has to be paid 2 years after a moratorium of 12 months from the date of 1st disbursement payable in equal Quarterly Installments. The above repayment schedule is notional. However, as and when any payment is received by UPCL towards difference between revised tariff determined by CERC in August 2012 and the original Tariff, the same should be first utilised for repayment of RupeeTerm Loan.

(₹ Lakhs)

B. Rupee Term Loan from Banks / Financial Institutions

S. No.	Subsidiary / Company Name	Amount of Loan		Rate of Interest **	Security & Terms and Conditions
		From Banks*	From Financial Institutions*		
					Secured by 1. First *pari-passu* Charge on fixed asset and current assets of UPCL to be created within 3 months from the date of first disbursement. 2. Pledge of shares of UPCL held by the promoters out of 23% unpledged shares of UPCL with coverage of 1.25 which will be released after the creation of first *pari-passu* charge on the fixed and current assets of UPCL. 3. Post-dated cheques from the Lanco Infratech Limited (Ultimate Holding Company) and UPCL for PFC's dues of STL. 4. Corporate Guarantee from the Lanco Infratech Limited. 5. Letter from the TRA banker admitting the obligation of UPCL for PFC's dues of STL and confirming that EMI payments as per schedule attached will be made out of TRA.
2	Lanco Kanpur Highways Limited (LKHL)	10,000.00 (10,000.00)	(Nil)	Base rate + 2%	The loan is secured by Unconditional and irrevocable corporate guarantee of the Company. The loan is repayable in bullet repayment at the end of six months.
	Total	**41,000.00** **(10,000.00)**	**Nil** **(15,000.00)**		

C. Foreign Currency Loan from Banks

(₹ Lakhs)

S. No.	Subsidiary / Company Name	Amount of Loan		Security & Terms and Conditions
		From Banks*	Rate of Interest **	
1	Lanco Infratech Limited (LITL) - the Company	50,677.95 (32,957.95)	(0.9-2.02)%	Buyers Credit are secured as part of working capital limits from banks by way of first charge of hypothecation of stock/work-in-progress and entire current assets of the company both present and future, on *pari passu* basis, with a term loan lender of ₹ 10,000 Lakhs and other working capital lenders, under multiple banking arrangements.
2	Udupi Power Corporation Limited (UPCL)	67,764.34 (67,156.52)	(1.40 - 3.78)%	The Security shall rank *pari-passu* amongst the lenders providing non-fund based facilities for the project upto a limit of ₹ 75,000 lakhs, but shall, however, be second and subsequent to the first / second ranking *pari-passu* charges created thereon in favour of Sr. Debt A and Sr. Debt B lenders.
3	Lanco Budhil Hydro Power Private Limited (LBHPPL)	Nil (851.68)	LIBOR + 140 BPS (Presently 1.96% p.a).	Buyers Credit of USD 16.65 lakhs payable on July 20, 2012 from HSBC Bank (Mauritius) Limited against the foreign letter of credit issued by Punjab National Bank.

C. Foreign Currency Loan from Banks

(₹ Lakhs)

S. No.	Subsidiary / Company Name	Amount of Loan From Banks*	Rate of Interest **	Security & Terms and Conditions
4	Lanco Solar Private Limited (LSPL)	15,511.89 (18,904.51)	(1.99 to 2.14)%	Refer Note 7 of Long-Term Foreign Currency Loans from banks and Financial Institutions above.
5	Lanco Solar Energies Private Limited (LSEPL)	10,165.17 (21,302.54)	(1.22-1.629)%	Buyers Credit are secured as part of working capital limits from banks by way of first charge of hypothecation of stock/work in progress and entire current assets of LSEPL both present and future, on *pari passu* basis and second charge on movable and immovable properties and also guaranteed (Corporate Guarantee) by the company.
	Total	**1,44,119.35 (1,41,173.20)**		

* Previous Year figures are mentioned within the brackets.

** LIBOR means London Inter Bank Offer Rate and BPS means Basis Points.

10. Trade Payables

(₹ Lakhs)

	As at March 31, 2013	As at March 31, 2012
Trade Payables (including acceptances)	4,51,453.21	3,75,467.16
	4,51,453.21	3,75,467.16

11. Other Current Liabilities

(₹ Lakhs)

	As at March 31, 2013	As at March 31, 2012
Current maturities of long-term borrowings (Note No. 5)	2,60,366.95	3,03,744.87
Interest accrued but not due on borrowings	19,428.55	16,346.95
Interest accrued and due on borrowings	36,654.17	-
Income received in advance	-	438.00
Unpaid Dividend	1.86	-
Advance from Customers	1,43,840.06	1,78,137.59
Taxes Payable	8,083.43	7,036.10
Amount payable in respect of Purchase of Fixed Assets / EPC contracts	7,361.16	21,443.52
Salaries and Other Employee benefits Payable	14,846.03	10,640.16
Other Payables	26,593.82	19,374.24
	5,17,176.03	5,57,161.43

12. Tangible Assets

(₹ Lakhs)

Particulars	Owned Assets									Assets Taken on Finance Lease		Total Assets (A + B)
	Leasehold Land $	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures **	Vehicles	Mine Properties ##	Office Equipment	Total (A)	Plant and Equipment	Total (B)	
Gross Block												
As at April 1, 2011	6,815.60	36,914.23	73,136.76	6,17,903.42	6,022.57	4,971.12	4,20,547.05	5,254.49	11,71,565.25	53,625.55	53,625.55	12,25,190.80
Additions	5,082.55	1,228.14	5,258.74	48,022.05	6,926.27	1,173.93	34,797.28	3,132.48	1,05,621.44	6,767.99	6,767.99	1,12,389.43
Additions on inclusion of new subsidiaries	4,600.31	199.38	26,454.54	7,00,401.20	46.11	146.65	-	143.99	7,31,992.18	-	-	7,31,992.18
Deletion on demerger	-	4,647.74	22.34	-	51.46	46.16	-	45.37	4,813.08	-	-	4,813.08
Disposals	-	-	44.78	2,697.17	553.78	1,214.11	-	435.01	4,944.85	-	-	4,944.85
Adjustments	-											
- Exchange Difference	-	572.07	1,211.97	8,860.71	19.86	9.49	60,568.38	11.80	71,254.27	7,743.47	7,743.47	78,997.74
- Borrowing Cost	-	-	-	764.07	-	-	-	-	764.07	-	-	764.07
- Other *	-	-	36.91	(44.66)	(53.74)	7.22	-	(10.91)	(65.17)	-	-	(65.17)
As at March 31, 2012	16,498.46	34,266.08	1,06,031.80	13,73,209.62	12,355.83	5,048.14	5,15,912.71	8,051.46	20,71,374.10	68,137.01	68,137.01	21,39,511.11
Additions	3,315.49	150.43	26,195.67	4,08,025.47	550.96	237.79	47,854.68	536.54	4,86,867.04	-	-	4,86,867.04
Additions on inclusion of new subsidiaries	-	625.55	-	-	-	-	-	-	625.55	-	-	625.55
Disposals	-	1,306.78	2,018.33	539.38	818.87	713.29	-	215.39	5,612.04	1,531.02	1,531.02	7,143.06
Adjustments												
- Exchange Difference	-	311.26	855.93	16,873.11	(63.50)	(21.85)	39,637.74	(62.25)	57,530.44	5,234.99	5,234.99	62,765.43
- Other *	-	-	(10.11)	(7,752.22)	0.55	0.04	(13,868.90)	1.63	(21,629.00)	(6,474.23)	(6,474.23)	(28,103.23)
As at March 31, 2013	19,813.95	34,046.55	1,31,054.96	17,89,816.60	12,024.97	4,550.83	5,89,536.23	8,311.99	25,89,156.08	65,366.75	65,366.75	26,54,522.83
Depreciation												
As at April 1, 2011	129.67	-	15,394.46	1,47,161.28	1,283.13	1,095.17	7,466.07	1,245.49	1,73,775.28	21,468.56	21,468.56	1,95,243.83
Charged for the Period	118.92	-	3,529.65	34,477.85	1,502.45	490.06	6,044.56	831.76	46,995.25	8,052.97	8,052.97	55,048.22
Additions on inclusion of new subsidiaries	13.06	-	322.18	25,578.28	23.44	79.68	-	28.73	26,045.37	-	-	26,045.37
On Disposals	-	-	6.12	487.89	135.17	310.54	-	121.18	1,060.90	-	-	1,060.90
Adjustments											-	
- Exchange Difference	-	-	1,091.92	4,586.62	4.40	5.83	1,078.15	1.64	6,768.55	3,100.19	3,100.19	9,868.74
- Other *	-	-	0.79	(12.00)	(3.28)	1.77	-	(48.23)	(60.95)	-	-	(60.95)
As at March 31, 2012	261.66	-	20,332.90	2,11,304.13	2,674.96	1,361.97	14,588.78	1,938.20	2,52,462.59	32,621.72	32,621.72	2,85,084.31
For the Period	139.39	-	5,058.72	88,370.82	1,327.98	442.11	8,499.55	981.98	1,04,820.55	4,835.97	4,835.97	1,09,656.52
On Disposals	0.01	-	71.64	92.09	275.15	205.12	-	99.35	743.35	-	-	743.35
Adjustments												
- Exchange Difference	-	-	730.51	7,045.98	3.73	(7.37)	498.17	(14.01)	8,257.00	2,627.89	2,627.89	10,884.90
- Other *	-	-	(9.60)	(401.06)	0.28	0.04	(335.77)	0.17	(745.94)	(3,837.36)	(3,837.36)	(4,583.30)
As at March 31, 2013	401.04	-	26,040.89	3,06,227.77	3,731.81	1,591.63	23,250.72	2,806.99	3,64,050.85	36,248.22	36,248.22	4,00,299.08
Net Block												
As at March 31, 2012	16,236.80	34,266.08	85,698.90	11,61,905.49	9,680.87	3,686.17	5,01,323.94	6,113.26	18,18,911.51	35,515.29	35,515.29	18,54,426.80
As at March 31, 2013	19,412.91	34,046.55	1,05,014.06	14,83,588.83	8,293.16	2,959.20	5,66,285.51	5,505.00	22,25,105.23	29,118.53	29,118.53	22,54,223.75

* On reclassification of asset class.

** Includes Leasehold Improvements of Gross Block as on April 1, 2011 - ₹ 1,317.55 lakhs, as on March 31, 2012 - ₹ 5,613.66 lakhs, as on March 31, 2013 - ₹ 5,716.91 lakhs and Accumulated Depreciation as on April 1, 2011 - ₹ 201.87 lakhs, as on March 31, 2012 - ₹ 781.89 lakhs, as on March 31, 2013 - ₹ 1,511.10 lakhs.

$ Includes land obtained by UPCL on lease from Karnataka Industrial Areas Development Board which will remain leasehold for first 11 years and after which the lease shall be converted into a sale subject to fulfillment of all the terms and conditions of allotment and payment of additional price, if any as may be finally fixed by Lessor. All the requirements have been satisfied with respect to the terms and conditions of allotment.

\## Includes Mine Lease, Noise Bund, Exploration & Development, Overburden Removal & Rehabilitation asset.

13. Intangible Assets

(₹ Lakhs)

Particulars	Computer Software	Other Intangible Assets **	Total
Gross Block			
As at April 1, 2011	2,003.22	3,160.42	5,163.64
Additions	520.82	6,319.32	6,840.14
Additions on inclusion of new subsidaries	159.87	-	159.87
Deletion on demerger	-	4.49	4.49
Disposals	2.44	-	2.44
Adjustments			
- Exchange Difference	-	455.53	455.53
- Others *	123.65	-	123.65
As at March 31, 2012	2,805.12	9,930.78	12,735.90
Additions	592.58	0.92	593.50
Adjustments - Exchange Difference	0.03	659.03	659.06
As at March 31, 2013	3,397.73	10,590.73	13,988.46
Depreciation			
As at April 1, 2011	585.09	804.73	1,389.82
Charged For the Period	809.92	699.53	1,509.45
Additions on inclusion of new subsidaries	45.88	-	45.88
On account of demerger	-	1.16	1.16
On Disposals	0.74	-	0.74
Adjustments - Exchange Difference	-	116.04	116.04
- Others *	60.95	-	60.95
As at March 31, 2012	1,501.10	1,619.14	3,120.24
For the Period	895.09	2,146.01	3,041.11
Adjustments			
- Exchange Difference	0.01	20.49	20.49
As at March 31, 2013	2,396.20	3,785.64	6,181.84
Net Block			
As at March 31, 2012	1,304.02	8,311.63	9,615.65
As at March 31, 2013	**1,001.53**	**6,805.09**	**7,806.62**

* On reclassification of asset class.

** includes Briquetting technology asset & third party capital contribution for the port.

14. Capital Work-In-Progress

(₹ Lakhs)

	As at and Upto March 31, 2013	As at and Upto March 31, 2012
Asset Under Construction	8,84,145.57	10,98,992.17
Other Direct Cost		
Salaries, Allowances and Benefits to Employees	23,547.45	19,237.29
Contribution to Provident Fund and Other Funds	916.29	779.83
Grid Connection Charges	338.41	200.00
Staff Welfare Expenses	553.65	480.38
Rent	1,608.02	1,331.94
Rates and Taxes	1,914.58	1,804.80
Socio Economic Development Expenses	6,831.75	4,459.43
Repairs and Maintenance - Others	643.49	742.70
Office Maintenance	627.83	461.82
Insurance	8,450.03	7,012.24

(₹ Lakhs)

	As at and Upto March 31, 2013	As at and Upto March 31, 2012
Printing and Stationery	222.60	207.06
Consultancy and Other Professional Charges	16,132.91	14,014.94
Electricity, Water and Fuel Charges	163.74	136.48
Travelling and Conveyance	4,066.04	3,594.69
Communication Expenses	456.54	393.66
Project Allotment Expenses	3,031.65	3,007.83
Interest	3,96,554.74	2,87,650.72
Loss/(Gain) on Foreign Exchange Fluctuation (net)	22,540.45	4,807.05
Bank and Other Finance Charges	15,812.86	14,086.82
Depreciation	1,552.93	1,212.74
Trail Run Cost- Fuel Consumed	9,951.24	9,951.24
Miscellaneous Expenses	6,849.89	4,783.06
	14,06,912.66	14,79,348.89
Less: Other Income		
Sale of Infirm Power	9,026.79	9,015.35
Miscellaneous Income	4,538.97	4,068.58
Insurance Claim Received	272.49	124.60
Interest Received (Gross) on Deposits and Others	4,853.10	3,059.69
	13,88,221.31	14,63,080.67
Less: Expenditure Apportioned over Cost of Fixed Assets	1,77,845.44	76,717.01
Less: Charged to Profit and Loss Account	1,226.96	968.82
	12,09,148.91	13,85,394.84

15. Intangible Asset Under Development

(₹ Lakhs)

	As at and Upto March 31, 2013	As at and Upto March 31, 2012
Other Direct Cost		
Salaries, Allowances and Benefits to Employees	748.66	429.72
Contribution to Provident Fund and Other Funds	9.50	3.74
Staff Welfare Expenses	4.81	2.47
Rent	57.62	20.70
Rates and Taxes	101.26	101.13
Repairs and Maintenance - Others	1.34	0.78
Office Maintenance	68.92	25.87
Insurance	24.93	24.93
Printing and Stationery	5.49	2.76
Consultancy and Other Professional Charges	293.26	267.92
Travelling and Conveyance	95.54	43.04
Communication Expenses	12.43	6.24
Project Allotment Expenses	6.12	6.12
Interest	2,096.75	1,006.00
Bank and Other Finance Charges	811.01	724.26
Depreciation	6.39	1.93
Miscellaneous Expenses	14.54	9.19
	4,358.57	2,676.80
Less: Other Income		
Miscellaneous Income	48.24	46.42
Interest Received (Gross) on Deposits and Others	13.42	13.42
	4,296.91	2,616.96

16. Non-Current Investments
(At Cost unless otherwise stated)

	No. Lakhs		₹ Lakhs	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
I Trade Investments				
(a) Investment in Equity Instruments				
(i) Investment in Associate Company (Unquoted) (At cost plus share of profits / losses based on equity accounting)				
Equity Shares @ ₹ 10 each fully paid up				
Lanco Vidarbha Thermal Power Limited (After elimination of profit / (loss) of ₹ 291.00 (March 31, 2012: ₹ 291.00) Lakhs)	29.10	29.10	-	-
Genting Lanco Power (India) Private Limited (Including Share of profit / (loss) of ₹ 852.26 (March 31, 2012: ₹ 541.02) lakhs)	4.87	4.87	1,062.76	751.52
Regulus Power private Limited (Including Share of profit / (loss) of ₹ (0.42) (March 31, 2012: ₹ (0.27) lakhs)	2.30	2.30	22.58	22.73
Himavat Power Private Limited (Including Share of profit / (loss) of ₹ (0.27) (March 31, 2012: (0.27)) lakhs & after elimination of profit / (loss) of ₹ 0.73 (March 31, 2012: ₹ 0.73) lakhs)	0.10	0.10	-	-
Pragdisa Power Private Limited (After elimination of profit / (loss) of ₹ 0.26 (March 31, 2012: ₹ 0.26) lakhs)	0.03	0.03	-	-
Vainateya Power Private Limited (After elimination of profit / (loss) of ₹ 0.26 (March 31, 2012: ₹ 0.26) lakhs)	0.03	0.03	-	-
Avior Power Private Limited (After elimination of profit / (loss) of ₹ 0.26 (March 31, 2012: ₹ 0.26) lakhs)	0.03	0.03	-	-
Mirach Power Private Limited (After elimination of profit / (loss) of ₹ 0.26 (March 31, 2012: ₹ 0.26) lakhs)	0.03	0.03	-	-
Lanco Hoskote Highway Limited (Including Share of profit / (loss) of ₹ (25.83) (March 31, 2012: ₹ (31.94)) lakhs & after elimination of profit / (loss) of ₹ 871.25 (March 31, 2012: ₹ 194.39) lakhs)	502.83	502.83	4,131.19	4,801.95
Lanco Devihalli Highways Limited (Including Share of profit / (loss) of ₹ (774.04) (March 31, 2012: ₹ (12.48)) lakhs & after elimination of profit / (loss) of ₹ 225.48 (March 31, 2012: ₹ 336.19) lakhs)	459.13	459.13	3,591.75	4,242.60
Bay of Bengal Gateway Terminal Private Limited (Including Share of profit / (loss) of ₹ (1.26) (March 31, 2012: ₹ (1.26)) lakhs)	0.13	0.13	-	-
Portia Properties Private Limited # (Including Share of profit / (loss) of ₹ Nil (March 31, 2012: ₹ (13.50)) lakhs)	-	3.40	-	20.50
Charon Trading Private Limited (Including Share of profit / (loss) of ₹ (4.13) (March 31, 2012: ₹ (3.91)) lakhs)	3.40	3.40	29.87	30.09
Mimas Trading Private Limited (Including Share of profit / (loss) of ₹ (2.62) (March 31, 2012: ₹ (2.32)) lakhs)	5.00	5.00	47.38	47.68
Ananke Properties Private Limited (Including Share of profit / (loss) of ₹ (12.34) (March 31, 2012: ₹ (7.19)) lakhs)	10.41	10.41	91.78	96.93

	No. Lakhs		₹ Lakhs	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Tethys Properties Private Limited (Including Share of profit / (loss) of ₹(12.33) (March 31, 2012: ₹ (7.19)) lakhs)	10.41	10.41	91.79	96.93
Bianca Properties Private Limited (Including Share of profit / (loss) of ₹ (12.33) (March 31, 2012: ₹ (7.19)) lakhs)	10.41	10.41	91.79	96.93
Belinda Properties Private Limited (Including Share of profit / (loss) of ₹ (12.33) (March 31, 2012: ₹ (7.19)) lakhs)	10.41	10.41	91.79	96.93
Phoebe Trading Private Limited (Including Share of profit / (loss) of ₹ (2.94) (March 31, 2012: ₹ (2.68)) lakhs)	3.40	3.40	31.06	31.32
Basava Power Private Limited (After elimination of profit / (loss) of ₹ (0.26) (March 31, 2012: ₹ (0.26)) lakhs)	0.03	0.03	-	-
Siddheswara Power Private Limited (After elimination of profit / (loss) of ₹ (0.26) (March 31, 2012: ₹ (0.26)) lakhs)	0.03	0.03	-	-
DDE Renewable Energy Pvt. Ltd. (After elimination of profit / (loss) of ₹ 31.12 (March 31, 2012: ₹ 31.12) lakhs)	0.05	0.05	-	-
Electromech Maritech Pvt. Ltd. (After elimination of profit / (loss) of ₹ 64.04 (March 31, 2012: ₹ 64.04) lakhs)	0.05	0.05	-	-
Finehope Allied Engg. Pvt. Ltd. (After elimination of profit / (loss) of ₹ 0.38 (March 31, 2012: ₹ 0.38) lakhs)	0.04	0.04	-	-
KVK Energy Ventures Pvt. Ltd. (Including Share of profit / (loss) of ₹ (2.74) (March 31, 2012: ₹ (1.30)) lakhs & after elimination of profit / (loss) of ₹ 34.96 (March 31, 2012: ₹ 26.86) lakhs)	48.76	48.76	449.84	459.39
Newton Solar Private Limited (After elimination of profit / (loss) of ₹ 0.26 (March 31, 2012: ₹ 0.26) lakhs)	0.03	0.03	-	-
Saidham Overseas Pvt. Ltd (After elimination of profit / (loss) of ₹ 0.35 (March 31, 2012: ₹ 0.35) lakhs)	0.04	0.04	-	-
Vasavi Solar Power Pvt Ltd (After elimination of profit / (loss) of ₹ 4.90 (March 31, 2012: ₹ 4.90) lakhs)	0.49	0.49	-	-
(ii) Investment in Other Company (Unquoted)				
Unique Corporate Consultants Pvt Ltd.	15.00	15.00	149.99	149.99
Indian Energy Exchange	12.50	12.50	125.00	125.00
Sub Total (a)			10,008.57	11,070.49
(b) **Investment in Preference Shares**				
(i) Investment in Associate Company (Unquoted)				
1% Cumulative Compulsory Convertible Preference Shares @ ₹ 10 each fully paid up				
Portia Properties Private Limited #		20.00	-	200.00
0.001% Cumulative Compulsory Convertible Preference Shares @ ₹ 10 each fully paid up				
Himavat Power Limited (Including Share of profit / (loss) of ₹ 2.65 (March 31, 2012: ₹ (2.39)) lakhs)	5,383.75	5,263.20	53,831.89	52,629.61
Mirach Power Limited (Including Share of profit / (loss) of ₹ (1.18) (March 31, 2012: ₹ (1.08)) lakhs)	3.00	3.00	28.83	28.92

	No. Lakhs		₹ Lakhs	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
0.001% Optionally Convertible Cumulative Redeemable Preference shares @ ₹ 10 each fully paid up				
Portia Properties Private Limited #		526.22	-	5,262.19
Avior Power Pvt Ltd (Including share of profit / (loss) of ₹ (0.15) (March 31, 2012: ₹ (0.06) lakhs)	25.00	25.00	249.85	249.94
Belinda Properties Private Limited	327.84	327.84	6,572.28	3,278.38
Ananke Properties Private Limited	327.84	327.84	6,592.26	3,278.38
Tethys Properties Private Limited	327.84	327.84	6,572.28	3,278.38
Bianca Properties Private Limited	327.84	327.84	6,572.28	3,278.38
Charon Trading Private Limited	108.50	108.50	1,085.20	1,085.00
Mimas Trading Private Limited	26.54	26.50	265.35	264.95
Phoebe Trading Private Limited	26.54	26.30	265.40	263.00
Regulus Power Private Limited	2.24	11.00	135.16	110.00
DDE Renewable Energy Private Limited (Including Share of profit / (loss) of ₹ (52.96) (March 31, 2012: ₹ (32.79)) lakhs & after elimination of profit / (loss) of ₹ 170.46 (March 31, 2012: ₹ 248.37) lakhs)	74.48	74.48	617.65	467.36
Electromech Maritech Private Limited (Including Share of profit / (loss) of ₹ (56.96) (March 31, 2012: ₹ (34.89)) lakhs & after elimination of profit / (loss) of ₹ 203.66 (March 31, 2012: 214.20) lakhs)	74.48	74.48	684.01	502.42
Finehope Allied Engineering Private Limited (Including Share of profit / (loss) of ₹ (59.23) (March 31, 2012: ₹ (27.33)) lakhs & after elimination of profit / (loss) of ₹ 86.32 (March 31, 2012: ₹ 225.03) lakhs)	74.88	74.48	556.55	502.13
KVK Energy Ventures Private Limited	1,086.33	1,086.33	11,134.88	11,134.88
Newton Solar Private Limited (Including Share of profit / (loss) of ₹ (47.87) (March 31, 2012: ₹ (17.95)) lakhs & after elimination of profit / (loss) of ₹ 89.95 (March 31, 2012: 147.35) lakhs)	74.73	74.73	648.70	588.67
Saidham Overseas Private Limited (Including Share of profit / (loss) of ₹ (29.1) (March 31, 2012: ₹ (27.96)) lakhs & after elimination of profit / (loss) of ₹ 63.51 (March 31, 2012: ₹ 208.35) lakhs)	74.78	74.78	460.23	524.88
Vasavi Solar Power Private Limited (Including Share of profit / (loss) of ₹ (119.77) (March 31, 2012: ₹ (35.41)) lakhs & after elimination of profit / (loss) of ₹ 173.85 (March 31, 2012: ₹ 287.02) lakhs)	74.78	74.78	525.27	435.78
0.01% Redeemable Cumulative Convertible Preference Shares @ ₹ 10 each fully paid up				
Lanco Vidarbha Thermal Power Limited (Including Share of profit / (loss) of ₹ (169.02) (March 31, 2012: ₹ (169.02) lakhs & after elimination of profit / (loss) of ₹ 7824.16 (March 31, 2012: ₹ 5682.73) lakhs)	7,047.15	6,447.15	62,478.31	58,619.74
(ii) Investment in Other Company (Unquoted)				
6% Optionally Convertible Redeemable Cumulative Preference shares @ ₹ 1/- each fully paid up				
Clarion Power Corporation Limited	25.00	25.00	25.00	25.00
Rithwik Energy Systems Limited	13.52	13.52	13.52	13.52
0.001% Cumulative Compulsory Convertible Preference Shares @ ₹ 10 each fully paid up				
Lanco Babandh Power Limited	11,220.53	10,745.03	1,12,205.26	1,07,450.26

	No. Lakhs		₹ Lakhs	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
0.01% Redeemable Cumulative Convertible Preference Shares @ Rs 10 each fully paid up				
Lanco Horizon Properties Private Limited	721.92	721.92	7,219.16	7,219.17
Sub-Total (b)			2,78,739.32	2,60,690.94
(c) Investment in Debentures or Bonds (Unquoted)				
Central Bank of India	0.0001	0.0001	100.00	100.00
Yes Bank	0.0001	0.0001	-	100.00
Sub-Total (c)			100.00	200.00
Total Trade Investments (I) (a + b + c)			2,88,847.89	2,71,961.43
II. Non-Trade Investments				
(a) Investment in Equity Instruments				
Investment in Other Company (Quoted)				
Equity Shares @ ₹ 10 each fully paid up				
Power Finance Corporation Limited	2.49	2.49	502.10	502.10
Rural Electrification Corporation Limited	0.49	0.49	98.92	98.92
Indian Bank	0.07	0.07	6.36	6.36
Andhra Bank	0.31	0.31	21.15	21.15
Bank of Baroda	0.07	0.07	16.57	16.57
Central Bank of India	0.02	0.02	1.55	1.55
Sub-Total (a)			646.65	646.65
(b) Investment in Mutual Funds/ULIPs/Insurances (Unquoted)				
Birla Sunlife Insurance Platinum Premier Plan	5.60	3.84	75.58	42.58
MetLife- Met Smart One	0.48	0.48	5.00	5.00
MetLife- Met Suvidha Non Par Single	-	-	29.50	29.50
Sub-Total (b)			110.08	77.08
Total Non-Trade investment (II) (a + b)			756.73	723.73
Total Non Current Investments (I + II)			2,89,604.62	2,72,685.16
Aggregate amount of Quoted Investments			646.65	646.65
Market Value of Quoted Investments			642.47	672.13
Aggregate amount of Non-Quoted Investments			2,88,957.96	2,72,038.51

became a subsidiary from associate during current year.

Details of Shares pledged with Banks and Financial Institutions

	March 31, 2013	March 31, 2012
	No. Lakhs	No. Lakhs
Non Current Investment *		
Lanco Hoskote Highway Limited- Equity Shares	502.83	502.83
Lanco Devihalli Highways Limited- Equity Shares	459.13	459.13
Lanco Vidarbha Thermal Power Limited- Equity Shares	10.25	10.25
Lanco Vidarbha Thermal Power Limited- Preference Shares	3,333.42	2,848.92
Lanco Babandh Power Limited- Preference Shares	7,061.52	7,061.52
Himavat Power Private Limited- Preference Shares	2,690.00	-

* The above shares were pledged with Banks and Financial Institutions who have extended Loan & Credit Facilities to the respective investee companies.

17. Current Investments
(At lower of cost and fair value)

	No. Lakhs		Rs. Lakhs	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Investment in Mutual Funds (Unquoted)				
Baroda Pioneer Liquid Fund – Daily Dividend	0.50	-	500.11	-
Birla Sunlife Cash Manager-Institutional Plan - Daily Dividend	0.01	2.65	0.95	208.25
Canara Robeco - Treasury Advantage Retail Dividend Fund	4.00	-	41.44	-
Canara Robeco Income Fund - regular growth	-	-	1.00	-
Canara Robeco Gold Saving Fund	1.00	-	8.77	-
HDFC Cash Management Fund - Treasury Advantage - Daily Dividend Reinvestment	-	3.66	-	44.89
HDFC Liquid Fund - Premium Plan Growth	-	-	1.00	-
HDFC Liquid Fund - Premium Plan Daily Dividend	0.19	240.41	1.89	3,219.65
IDFC Treasury Advantage Fund	-	26.58	-	267.63
Total Current Investments			555.16	3,740.42

18. Loans and Advances

(₹ Lakhs)

	Non-Current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Capital Advances				
Secured, Considered Good	50.00	58.08	-	-
Unsecured, Considered Good	16,202.02	16,050.24	-	-
	16,252.02	16,108.32	-	-
Security Deposit				
Secured, Considered Good	9.76	17.79	-	-
Unsecured, Considered Good	10,736.98	12,779.93	2,188.32	3,465.06
Doubtful	60.00	-	38.09	38.09
	10,806.74	12,797.72	2,226.41	3,503.15
Less: Provision for doubtful Security Deposit	60.00	-	38.09	38.09
	10,746.74	12,797.72	2,188.32	3,465.06
Loans & Advances to Related Party (Refer Note No. 48)				
Unsecured, Considered Good				
Capital Advances	-	1,343.22	-	-
Advances for Investment	1,969.43	74,013.37	61,413.80	1,065.00
Prepaid Expense	24.30	-	-	-
Loans Receivable	30,968.10	18,928.41	6,722.84	6,012.44
Advances Recoverable in Cash or in kind	-	42.55	6,829.10	2,372.92
	32,961.83	94,327.55	74,965.74	9,450.36
Other Loans & Advances (Unsecured, Considered good otherwise stated)				
Advance Tax (Net of Provision for Tax)	2,138.68	442.15	19,590.50	18,184.51
Minimum Alternative Tax Credit Entitlement	1,917.37	8,958.77	2,313.27	2,582.36
Loans and Advances to Employees	350.63	0.11	577.89	1,126.74
Advances for Investment	-	30,769.87	-	-
Prepaid Expense	11.46	40.91	5,720.41	6,446.28
Cenvat / Vat / Service Tax Credit Receivable	4,139.05	3,236.01	16,636.30	14,596.15
Taxes Paid Under protest	20.00	20.00	751.87	-
Loans Receivable - Unsecured, Considered Good	-		237.96	-
Advances Recoverable in Cash or in kind				
Secured, Considered Good	-	-	50.97	138.01
Unsecured, Considered Good	22,372.82	20,462.43	1,73,011.35	1,99,051.08
Doubtful	-	-	562.00	156.98
	30,950.01	63,930.25	2,19,452.52	2,42,282.11
Less: Provision for doubtful Other Loans and Advances	-	-	562.00	156.98
	30,950.01	63,930.25	2,18,890.52	2,42,125.13
	90,910.60	1,87,163.84	2,96,044.58	2,55,040.55

19. Trade Receivables and Other Assets

(₹ Lakhs)

	Non-Current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
19.1 Trade Receivables				
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, Considered Good			11,603.73	11,173.51
Unsecured, Considered Good			93,843.38	55,068.30
Doubtful			517.38	443.22
	-	-	1,05,964.49	66,685.03
Less : Allowance for bad and doubtful debts			517.38	443.22
	-	-	1,05,447.11	66,241.81
Other Receivable				
Unsecured, Considered Good	52,551.59	39,421.31	3,60,314.53	3,10,177.27
Doubtful	240.88	-		268.30
	52,792.47	39,421.31	3,60,314.53	3,10,445.57
Less: Allowance for doubtful debts	240.88	-	-	268.30
	52,551.59	39,421.31	3,60,314.53	3,10,177.27
Sub-Total (A)	**52,551.59**	39,421.31	**4,65,761.64**	3,76,419.08
19.2 Other Assets				
Non-Current Bank Deposits (as per Note 21)	21,185.61	13,262.45		-
Unamortised Expenses	0.19	-	912.56	-
Unamortised Premium on Forward Contract	-	-	513.35	1,179.55
Unbilled Revenue	-	-	9,613.04	14,513.47
Interest Accrued on Deposits	0.20	0.55	8,198.05	2,381.26
Others	-	4.03	91.85	651.30
Sub-Total (B)	**21,186.00**	13,267.03	**19,328.85**	18,725.58
Total (A + B)	**73,737.59**	52,688.34	**4,85,090.49**	3,95,144.66

20. Inventories

(At lower of cost and net realisable value unless otherwise stated)

(₹ Lakhs)

	As at March 31, 2013	As at March 31, 2012
Raw Materials (including Stock in transit ₹ 1,567.78 (March 31,2012 : ₹ 275.69)) lakhs	29,071.01	46,284.29
Construction / Development Work-in-Progress	2,57,595.79	2,13,566.18
Finished Goods	4,560.25	3,185.07
Consumables, Stores and Spares (including Stock in transit Rs. 9.01 (March 31,2012 : Rs. 18.8)) lakhs	18,530.98	15,852.87
	3,09,758.03	2,78,888.41
Details of Closing Inventory		
Raw Materials		
Naptha	4,307.09	3,060.11
Coal	9,512.28	25,150.17
Oil - (HFO, LDO & HSD)	1,086.09	2,051.14
Material in Transit and Under Inspection	4,236.89	192.97
Semi Finished Goods	660.73	238.62
Solar Cells & other Solar Equipments	116.67	527.83
Steel	5,757.67	9,944.65
Inventory Others	3,393.59	5,118.80
	29,071.01	46,284.29
Finished Goods		
Solar Modules	102.86	568.29
Coal	4,457.39	2,616.78
	4,560.25	3,185.07

21. Cash and Bank Balance

(₹ Lakhs)

	Non- Current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Cash and Cash Equivalents				
Balances with Banks				
- On Current Accounts			18,258.32	69,237.01
- On Deposit Accounts (Having Maturity less than 3 Months from date of deposit)			4,874.03	25,596.14
Cheques, Drafts and Stamps on hand			-	1.67
Cash on Hand			57.53	73.70
	-	-	23,189.88	94,908.52
Other Bank Balances				
On Deposit Accounts**				
Having Maturity more than 3 Months but less than or equal to 12 months from date of deposit	-	-	13,696.04	27,205.31
Having Maturity more than 12 Months from date of deposit	18,767.97	6,759.93	12,996.34	13,278.95
On Margin Money Deposit Accounts *	2,417.64	6,502.52	7,399.16	5,813.80
	21,185.61	13,262.45	34,091.54	46,298.06
Amount disclosed under other Non-Current assets (Note 19.2)	(21,185.61)	(13,262.45)		
	-	-	57,281.42	1,41,206.58

* The Margin Money Deposits are towards Letters of Credit and Bank Guarantee

** Includes ₹ 21,329.85 (March 31, 2012 : ₹12,199.44) lakhs deposits are under lien.

22. Revenue from Operations

(₹ Lakhs)

		For the year ended	
		March 31, 2013	March 31, 2012
Contract Operations	(A)	4,03,783.06	5,05,408.28
Property Development	(B)	16,638.27	7,494.56
Sale of Services			
Management Consultancy		281.09	1,352.24
Operations and Maintenance		530.03	13.61
	(C)	811.12	1,365.85
Sale of Products			
Electrical Energy		8,55,790.22	4,25,568.17
Coal		94,651.21	73,128.31
Other Goods		809.95	2,583.26
	(D)	9,51,251.38	5,01,279.74
Other Operating Revenue			
Income from Lease Rentals		47.38	7.70
Other Operating Income		1,348.69	1,340.27
	(E)	1,396.07	1,347.97
Revenue from Operations	(A+B+C+D+E)	13,73,879.90	10,16,896.40

23. Other Income

(₹ Lakhs)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest Income on		
Deposits and Margin money	3,510.61	3,557.73
Loans Receivable and Inter Corporate Deposits	4,054.73	2,366.59
Long-Term Investments	13.48	16.35
Current Investments	-	2.82
Others	1,931.35	1,051.81
Dividend Income on		
Current Investments	163.54	170.47
Long-Term Investments	51.15	36.50
Net Gain on sale of - Current Investments	20.33	562.78
Other Non-Operating Income (Net of expenses directly attributable to such Income)		
Insurance Claims Received/Receivable	996.66	64.04
Liabilities and Provisions no longer required written back	288.07	163.89
Net Profit on Sale of Assets	506.94	-
Miscellaneous Income	3,348.87	3,767.95
	14,885.73	11,760.93

24. Cost of Materials Consumed

(₹ Lakhs)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Construction Material Consumed	2,24,853.54	3,00,230.71
Property Development Cost	18,761.61	18,225.40
Coal for Power Generation	2,91,568.62	46,551.73
Gas for Power Generation	79,727.36	93,834.33
Oil (HFO, LDO & HSD) for Power Generation	6,718.45	1,419.44
Other consumables for Power Generations	2,246.14	424.44
Consumables - Coal Mining	20,168.02	18,245.93
Raw Materials Consumed - Solar Modules	2,876.47	22,321.54
	6,46,920.21	5,01,253.52

25. Purchase of Traded Goods

(₹ Lakhs)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Power Purchase	2,16,124.71	98,033.68
Others	-	2,404.63
	2,16,124.71	1,00,438.31

26. Construction, Transmission, Plant/Site and Mining Expenses

(₹ Lakhs)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Equipment/Machinery Hire charges	14,731.16	19,337.54
Transmission Charges	11,613.59	14,616.53
Repairs, Operations and Maintenance	22,260.93	12,247.19
Consumption of Stores and Spares	4,861.72	4,059.48
Insurance	5,373.24	5,247.40
Electricity	1,757.33	4,521.51
Security Charges	2,791.01	2,252.57
Coal Mining and Transportation Cost	61,978.75	37,541.02
Others	6,495.91	3,127.67
	1,31,863.64	1,02,950.91

27. (Increase)/Decrease in Inventories of Finished Goods and Construction / Development Work-in-Progress

(₹ Lakhs)

		For the year ended	
		March 31, 2013	March 31, 2012
Finished Goods			
Inventories at the beginning of the year		3,185.07	2,694.51
Less: Inventories at the end of the year *		4,560.25	3,185.07
	(A)	(1,375.18)	(490.56)
Construction/Development Work-in-Progress			
Inventories at the beginning of the year		2,13,566.18	1,79,555.12
Less: Inventories at the end of the year *		2,57,595.79	2,13,566.18
	(B)	(44,029.61)	(34,011.06)
(Increase)/Decrease in inventories	(A + B)	(45,404.79)	(34,501.62)

* For details refer Note No. 20

28. Employee Benefits Expenses

(₹ Lakhs)

	For the year ended	
	March 31, 2013	March 31, 2012
Salaries, allowances and benefits to employees	54,917.43	62,445.44
Contribution to provident fund and other funds	2,203.03	2,174.64
Employee Stock Option Charge	1,936.99	3,461.96
Recruitment and training	526.46	1,932.78
Staff welfare expenses	3,617.56	3,612.68
	63,201.47	73,627.50
Less: Transferred to Development cost	1,232.47	2,290.52
Less: Transferred to Capital work-in-progress (CWIP) - Other Direct Cost	123.73	168.70
	61,845.27	71,168.28

29. Other Expenses

(₹ Lakhs)

	For the year ended	
	March 31, 2013	March 31, 2012
Rent	5,750.01	5,234.07
Rates and taxes	2,264.29	3,318.90
Donations	756.48	850.58
Repairs and Maintenance:		
Office Building	81.98	120.96
Others	1,109.92	693.83
Marketing and selling expenses	35.36	33.86
Office maintenance	1,774.05	2,650.05
Insurance	1,343.10	1,400.06
Printing and stationery	408.86	593.94
Consultancy and other professional charges	11,944.97	7,752.14
Directors sitting fee	73.77	55.16
Electricity charges	429.28	294.41
Net Loss on sale of - Long-Term Investments	14.93	-
Net Loss on Foreign Exchange Fluctuations	7,748.77	10,843.49
Remuneration to auditors (As Auditor):		
Audit Fee	225.13	318.64
Tax audit fees	28.79	22.49
Remuneration to auditors (In other capacity):		
Other Services (Certification)	4.90	15.42
Reimbursement of expenses to Auditors	40.32	35.23
Travelling and conveyance	7,792.47	9,173.39
Communication expenses	1,072.93	1,381.77
Net Loss on Sale of fixed assets and Assets write off	1,869.21	751.11
Provision for Losses of Subsidiary Companies	1,020.32	-
Provision for Advances/claims/debts	6,833.18	2,419.84
Business Promotion and Advertisement	1,564.24	1,968.77
Miscellaneous expenses	3,738.89	1,755.55
	57,926.15	51,683.66
Less: Recovery of Common Expenses	828.76	570.53
Less: Transferred to Development cost	520.72	421.68
Less: Transferred to CWIP - Other Direct Cost	208.32	31.06
Less: Elimination of Cost on Intercompany Management Consultancy	371.81	602.24
	55,996.54	50,058.15

30. Finance Cost

(₹ Lakhs)

	For the year ended	
	March 31, 2013	March 31, 2012
Interest	2,97,220.32	1,13,855.76
Other Borrowing Cost (Upfront Fees, Commitment Charges, LC commission etc.)	15,671.93	7,496.07
Exchange Difference to the extent considered as an adjustment to borrowing costs	1,030.06	2,195.27
	3,13,922.31	1,23,547.10
Less: Transferred to development cost	12,291.85	9,731.60
Less: Transferred to CWIP (Other Direct Cost)	59,486.21	8,430.40
	2,42,144.25	1,05,385.10

31. Depreciation and Amortisation Expense

(₹ Lakhs)

	For the year ended	
	March 31, 2013	March 31, 2012
Depreciation on Tangible Assets	1,09,550.69	54,773.44
Amortisation on Intangible Assets	3,030.43	1,506.10
	1,12,581.12	56,279.54

32. Earning Per Share (EPS)

(₹ Lakhs)

		For the year ended	
		March 31, 2013	March 31, 2012
Net Profit/(Loss) after Taxation, Minority Interest and Share of profit of Associates	(A)	(1,07,329.46)	(11,203.47)
Weighted average number of Equity Shares for Basic EPS	(B)	23,412.67	23,309.00
Effect of dilution : Stock options under ESOP		16.02	58.35
Weighted Average number of Equity shares for Diluted EPS	(C)	23,428.69	23,367.35
Basic EPS (in ₹)	(A) / (B)	(4.58)	(0.48)
Diluted EPS (in ₹)	(A) / (C)	(4.58)	(0.48)

33. Intra Group Turnover and Profits

The Group 'Revenue from Operations', 'Net Profit after taxation, minority interest and share of profits of associates', 'Net Cash flow from Operating Activities' and 'Reserves and Surplus' is after eliminating inter-company transactions as per Accounting Standard (AS) 21 "Consolidated Financial Statements" and Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements". The impact of these eliminations on the said items is as under:

(₹ Lakhs)

	For the year ended	
	March 31, 2013	March 31, 2012
Revenue from Operations		
Before Elimination	15,14,700.19	15,27,923.76
Less: Elimination of Intersegment Operating Income	1,40,820.29	5,11,027.36
After Elimination (As per Note No. 22)	**13,73,879.90**	10,16,896.40
Net Profit/(Loss) after taxation, minority interest and share of profits of associates		
Before Elimination	(1,07,015.57)	55,893.52
Less: Elimination for current year	313.89	67,096.99
After Elimination	**(1,07,329.46)**	(11,203.47)
Net Cash flow from Operating Activities		
Before Elimination	1,86,952.80	4,18,466.69
Less: Elimination for current year	(1,758.36)	75,862.34
After Elimination	**1,88,711.16**	3,42,604.35

(₹ Lakhs)

	As at **March 31, 2013**	As at March 31, 2012
Reserves and Surplus		
Before Elimination	4,94,927.81	5,98,000.58
Less: Elimination for current year	313.89	67,096.99
Less: Elimination for previous years	1,51,291.99	84,195.00
After Elimination (As per Note No.4)	**3,43,321.94**	4,46,708.59

34. Effect of new subsidiaries acquired / disposed off subsidiaries on the Consolidated financial statements (₹ Lakhs)

The effect of acquisition (including newly formed) of stake in subsidiaries on the consolidated financial statements is as under:-

Name of Subsidiary company	Effect on Group Profit / (Loss) after Minority Interest for the year ended March 31, 2013	Effect on Net Assets as at March 31, 2013	Effect on Group Profit / (Loss) after Minority Interest for the year ended March 31, 2012	Effect on Net Assets as at March 31, 2012
Indian Subsidiaries				
Udupi Power Corporation Limited	-	-	(69.74)	1,82,304.08
Lanco Anpara Power Limited	-	-	(875.12)	1,10,642.44
Lanco Solar Power Projects Private Limited	-	-	(0.43)	25.30
Orion Solar Projects Private Limited	-	-	(0.19)	49.38
Pasiphae Power Private Limited	-	-	(0.13)	0.58
Sabitha Solar Projects Private Limited	-	-	(0.15)	27.99
Helene Power Private Limited	-	-	(0.15)	0.58
Omega Solar Projects Private limited	-	-	(0.36)	(0.94)
Emerald Orchids Private Limited	-	-	-	7.00
Mahatamil Mining and Thermal Energy Limited	-	-	-	5,622.77
Nix Properties Private Limited	-	-	(5.83)	600.32
Lanco Rambara Hydro Power Private Limited	-	0.62	-	-
Foreign Subsidiaries				
Lanco Infratech (Nepal)	-	-	-	-
Lanco Solar Canada Limited	-	-	(5.81)	(6.20)
SolarFi SP 07	-	-	(6.73)	(8.82)
SolarFi SP 06	-	-	(2.54)	(4.72)
Lexton Trading Pty Limited	-	-	-	0.25
Approve Choice Investments Limited	-	-	-	0.25
Bar Mount Trading Pty Limited	-	-	-	0.25
Barrelake Investments Pty Limited	-	-	-	0.25
Belara Trading Pty Limited	-	-	-	0.25
Caelamen Pty Limited	-	-	-	0.25
Dupondius Pty Limited	-	-	-	0.25
Gamblegreat Trading Pty Limited	-	-	-	0.25
Filten Trading Pty Limited	-	-	-	0.25
K2011103835 Pty Limited	-	-	-	0.32
Lanco Solar International GMBH	-	-	3.71	116.50
Tiper Solaire SAS	-	-	(0.13)	0.55
Bhola Electricity Pvt Ltd	-	1.69	-	-
	-	2.31	(963.60)	2,99,379.42

The effect of disposal of stake in subsidiaries on the consolidated financial statements is as under:-

Name of Subsidiary company	Effect on Group Profit / (Loss) after Minority Interest for the year ended March 31, 2013	Effect on Net Assets as at March 31, 2013	Effect on Group Profit / (Loss) after Minority Interest for the year ended March 31, 2012	Effect on Net Assets as at March 31, 2012
Indian Subsidiaries				
Lanco Vidarbha Thermal Power Limited	-	-	4,891.99	(43,890.74)
Himavat Power Private Limited	-	-	(0.74)	(32,358.00)
Regulus Power Private Limited	-	-	-	(166.16)
Foreign Subsidiaries				
Inversion Solar Andalucia 14 SL	-	-	-	(1.41)
Lanco Solar Canada Limited	(88.57)	(95.09)	-	-
	(88.57)	(95.09)	4,891.25	(76,416.31)

35. Prior period item for the year ended March 31, 2013 is on account of foreign currency fluctuations restatement. For the year ended March 31, 2012 While subsequent review of the earlier year consolidated management accounts of LRIPL, some of the expenses have been charged off to Statement of Profit and Loss and some of the expenses have been capitalised in the fixed assets, consequently the net impact of ₹ 360.34 lakhs has been considered as Prior Period Items in the Statement of Profit and Loss.

36. During the previous year, the following significant changes in the investment status of the Company in its subsidiaries and associates have taken place. The Company executes EPC contracts for construction of power plants for these subsidiaries and associates.

a) Two of the subsidiaries namely Lanco Vidharba Thermal Power Limited (LVTPL) and Himavat Power Private Limited (HPPL) got converted into associates upon Company not fully exercising its right of pre-emption for making additional investment in the equity shares of both these entities. As a result thereof, the Group has recorded a gain of ₹ 4,891.25 lakhs as 'Exceptional Profit' under Statement of Profit and Loss. Post the date of conversion of these entities into associates, the Group has eliminated the unrealised profit for intergroup transactions to the extent of its holding in the respective associates.

b) Two of the erstwhile associates of the Group namely Lanco Anpara Power Limited (LAnPL) and Udupi Power Corporation Limited (UPCL) got converted into subsidiaries during the previous year post commencement of operations. LAnPL got converted into subsidiary of the Company upon subscription of further equity shares issued at par by LAnPL and UPCL got converted into subsidiary of the Company upon conversion of 1% Cumulative Compulsory Convertible Preference Shares of UPCL held by the Company. Profit of ₹ 33,472.41 lakhs accrued prior to the date of conversion to the extent of equity held by others in the respective subsidiaries is taken as realized by the management and hence not eliminated. Post the date of conversion of these entities into subsidiaries, the Group has eliminated the unrealised loss of ₹ 172.18 lakhs for intergroup transactions on prospective basis.

37. (a) On March 30, 2012, the Company has put in place two level power holding company structure wherein Lanco Power Limited (LPL) a wholly owned subsidiary of the Company as the power holding vehicle for the Group. LPL has further two wholly owned subsidiaries namely Lanco Thermal Power Limited and Lanco Hydro Power Limited as thermal power holding company and hydro power holding company respectively.

(b) As approved by the members vide their resolution dated March 19, 2010 the Company has sold its shareholding in some of its Subsidiaries and Associate Companies (hereinafter referred as 'related entities') to its wholly owned step down subsidiaries i.e. Lanco Thermal Power Limited, Lanco Hydro Power Limited and to an associate, Regulus Power Private Limited (an erstwhile subsidiary) on March 30, 2012 for total cash consideration amounting to ₹ 6,81,550.87 lakhs. As of March 31, 2013 Rs.2,70,134.90 lakhs, (March 31, 2012 ₹ 2,70,135.16 lakhs) representing the balance amount of consideration for sale of shares is receivable from the above entities and the same has been eliminated while preparing the consolidated financial statements.

(c) As a result of the above change, one of the associate namely Lanco Babandh Power Limited, consequent to the sale of its equity shares to an associate i.e. Regulus Power Private Limited, has become an associate of an associate, and as a result recorded a gain of ₹ 6,751.92 lakhs in previous year as 'Exceptional Profit' under Statement of Profit and Loss.

(d) During the previous year, the Company has entered into novation agreement with Lanco Power Limited and related entities forming part of power holding company structure, for transfer of loans receivables amounting to ₹ 1,35,486.50 lakhs outstanding in the books of the Company and in the current year an amount of ₹ 61,586.50 lakhs is outstanding with regard to the said transactions in the books of the company, and the same has been eliminated while preparing the consolidated financial statements.

(e) The aforesaid transfer of shares in various subsidiaries and associates requires lenders/customer approvals. Pending the receipt of approvals, the Company has recorded the sale of investments in related entities in the financial statements. During the year, the Management has obtained approvals from the most of the lenders and the management is confident of receiving the residual approvals and share transfer is in progress. In case such approvals are not received, the loans given by the lenders to the respective related entities may become due if the Company still wants to pursue transfer of shares, or the sold investments will be purchased back by the Company. Based on legal advice, the management is of the opinion that they have complied with relevant laws and regulations.

(f) As result of above restructuring activities, the investments relationship with the Company as of March 31, 2012 and March 31, 2011 has been summarized below:

Name of the Entity	March 31, 2012		March 31, 2011	
	Relationship	Ownership %	Relationship	Ownership %
Lanco Kondapalli Power Limited	Subsidiary of LTPL	59.00%	Subsidiary of LITL	59.00%
Lanco Amarkantak Power Limited	Subsidiary of LTPL	100.00%	Subsidiary of LITL	100.00%
Lanco Tanjore Power Company Limited	Subsidiary of LTPL	58.45%	Subsidiary of LITL	51.02%
Udupi Power Corporation Limited	Subsidiary of LTPL	69.89%	Associate of LITL	26.15%
Lanco Anpara Power Limited	Subsidiary of LTPL	100.00%	Associate of LITL	26.07%
Lanco Teesta Hydro Power Private Limited	Subsidiary of LHPL	100.00%	Subsidiary of LITL	99.96%
Lanco Budhil Hydro Power Private Limited	Subsidiary of LHPL	100.00%	Subsidiary of LITL	99.99%
Lanco Babandh Power Limited	-	-	Associate of LITL	26.00%
Lanco Vidharba Thermal Power Limited	Associate of LTPL	26.68%	Subsidiary of LITL	100.00%

Himavat Power Private Limited	Associate of LTPL	26.67%	Subsidiary of LITL	100.00%
Vainateya Power Private Limited	Associate of LTPL	26.00%	Associate of LITL	26.00%
Regulus Power Private Limited	Associate of LTPL	43.14%	Subsidiary of LITL	98.04%
Charon Trading Private Limited	Associate of LTPL	34.00%	Associate of LITL	34.00%
Mimas Trading Private Limited	Associate of LTPL	50.00%	Associate of LITL	50.00%
Phoebe Trading Private Limited	Associate of LTPL	34.00%	Associate of LITL	34.00%
Portia Properties Private Limited	Associate of LTPL	34.00%	Associate of LITL	34.00%

38. a) The Company acquired the Griffin Coal Mining Company Pty Limited (GCM) and Carpenter Mine Management Pty Limited (CMM) through its subsidiary Lanco Resources International Pte Limited (LRIPL) and step down subsidiary Lanco Resources Australia Pty Limited (LRAPL) on February 28, 2011. Since GCM and CMM had been "Under Administration" at the time of acquisition, the audit of the financial statements of these companies had not been undertaken for the period subsequent to June 30, 2008. The audit of the GCM, CMM for the period July 01, 2008 to March 31, 2012 and consolidated financials of LRAPL for the year ended March 31, 2011 and March 31, 2012, under the Australian GAAP, has been completed and the impact of the same has been incorporated in the consolidated financials prepared under Indian GAAP. Due to the GAAP conversion capital reserve on consolidation, whatever considered in the earlier period, is reduced by ₹ 8,299 Lakhs.

b) The audit for the current financial year ended March 31, 2013 pertaining to GCM, CMM, LRAPL and Lanco Solar Holding Netherlands BV (LSHNBV) along with its subsidiaries is under progress. Accordingly total assets of ₹ 7,12,068.64 (March 31, 2012 : ₹ 6,82,276.56) lakhs, net loss of ₹ 49,889.24 (March 31, 2012 : ₹ 28,664.38) lakhs for the year ended March 31, 2013, have been taken from the financials prepared by the management under Indian GAAP.

39. In case of LSPL, Managerial Remuneration for FY 2010-11 paid in excess of the limits prescribed under section 198, 269, 309 & 310 of the Companies Act, 1956 read with Schedule XIII of the said Act by ₹ 223.11 lakhs. The Company has sought approval of Central Government for waiver of Excess remuneration paid to the Whole time Director and same are awaited.

40. Due to lower profits in the Company the remuneration of Directors as fixed by the members for the financials year 2012-13 is exceeding the permissible remuneration under Companies Act, 1956 by ₹ 1,506.30 lakhs. The Company is taking necessary steps for obtaining the approval of the Central Government and approval of members for such remuneration.

41. During the previous year in line with the Notification dated December 29, 2011 issued by the Ministry of Corporate Affairs, the group had selected the option given in Paragraph 46A of the Accounting Standard – 11, "The Effects of Changes in Foreign Exchange Rates", the foreign exchange (gain)/loss arising on revaluation of long term foreign currency monetary items in so far as they relate to the acquisition of depreciable capital assets to be depreciated over the balance life of such assets and in other cases the foreign exchange (gain)/loss to be amortised over the balance period of such long term foreign currency monetary items. On availment of option under this notification, foreign exchange difference remains unamortized is ₹ 47,209.88 (March 31, 2012 : (₹1,388)) Lakhs.

42. The Group currently provides depreciation on assets at the rates specified in the Schedule XIV of the Companies Act, 1956. The Ministry of Corporate Affairs (MCA) vide its notification dated May 31, 2011, has clarified that companies engaged in the generation and supply of electricity can distribute dividend after providing for depreciation at rates/methodology notified by Central Electricity Regulatory Commission (CERC). As the Group has both regulated and non-regulated generating assets, the management has sought clarifications and guidance from the MCA on the applicability of the CERC rates for its regulated and non-regulated generating assets. Pending the clarification, existing depreciation rates continued for the year ended March 31, 2013.

43. As at March 31, 2013 the Group has receivables from various State Electricity Utility companies and other customers against sale of power aggregating to ₹ 2,97,203.51 lakhs (₹ 2,36,938.72 lakhs as at March 31, 2012), net current liabilities of ₹ 1,15,209.81 lakhs and current maturities of long-term borrowings ₹ 2,60,366.97 lakhs. Based on the internal assessment and various discussions had with the customers, the management is confident of recovery of receivables. Though the group's operating assets are not generating envisaged revenues on account of various factors beyond the control of the group, such as short supply of fuel, non-availability of gas, lack of tariff clarity, above all much delayed payments from the customers posing challenges for meeting the cash flow needs without much stress. However the group has actively engaged in resolving in each of the aspects associated with the respective revenue generating units by effectively addressing the core issues which would enable a quick turnaround in the situation and the management is very confident that the efforts would result in the operating units generating positive cash flows. This apart the management is also actively considering the aspects like inviting strategic investors, disposal of noncore assets for which necessary steps have already been taken which would also bring in the additional cash flows into the system. Cumulatively, the group is confident that the initiatives narrated above which soon address the bottlenecks and make the operating units more viable and thus does not foresee any eventual cash flow mismatch in terms of meeting all its financial obligations including that of to the lenders, vendor and others and also will have adequate cash flows to support the implementation of ongoing projects.

44. Employee Benefits

Defined Benefit Plans

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. In certain subsidiaries the scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following table summarizes the components of net benefit expense recognised in the Statement of Profit and Loss / Capital Work -in-Progress and amounts recognised in the balance sheet for the respective plans.

(₹ Lakhs)

	Gratuity	
	March 31, 2013	**March 31, 2012**
Net Employee benefit expense recognised in the employee cost		
Current service cost	423.92	717.84
Interest cost on benefit obligation	165.09	129.44
Benefits transferred in	-	(2.26)
Expected return on plan assets	(21.14)	(8.02)
Net actuarial (gain)/loss recognised in the year	(350.02)	(542.24)
Changes due to inclusion of subsidiaries	-	1.21
Net benefit expense	**217.85**	**295.97**
Actual Return on the plan assets		
Balance Sheet		
Benefit asset/liability		
Present value of defined benefit obligation	1,917.45	2,043.31
Fair value of plan assets	256.99	229.78
Plan asset/(liability)	**(1,660.46)**	**(1,798.32)**
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation	2,043.31	1,665.74
Current service cost	424.68	717.84
Interest cost	165.09	129.44
Actuarial (gain)/loss on obligation	(350.02)	(549.25)
Benefits paid	(186.96)	(83.39)
Changes due to inclusion of subsidiaries	-	167.04
Changes due to disposal of subsidiaries		(4.11)
Benefit transferred Out	(178.65)	-
Closing defined benefit obligation	**1,917.45**	**2,043.31**
Change in the fair value of plan assets		
Opening fair value of plan assets	229.78	90.73
Adjustment to Opening Balance	-	3.05
Expected return	21.14	8.02
Contributions by employer	10.04	51.17
Benefits paid	(5.97)	(39.29)
Actuarial gain/(loss)	2.00	(7.01)
Changes due to inclusion of subsidiaries	-	123.11
Closing fair value of plan assets	**256.99**	**229.78**
Investment details of the plan assets		
State and Central Securities	100%	100%
Bonds	123.16	229.78
Special Deposits	-	-
Assumptions		
Discount Rate (%)	8 to 8.40	8.07 to 8.54
Estimated Rate of Return on Plan Assets	9.15	9.00
Attrition Rate	19.00	19.00
Expected rate of salary increase (%)	6.00	6 to12
Expected Average Remaining Service (years)	4.06	3.80 to 4.22

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amount of defined benefit plan for the current and previous four periods are as follows *

	Present value of Defined benefit obligation	Surplus/(deficit)	Experience adjustments on plan liabilities	Experience adjustments on plan assets
March 31, 2013	1,917.45	1,660.46	351.82	-
March 31, 2012	2,043.31	1,798.32	140.51	-
March 31, 2011	1,650.53	1,559.80	77.40	-
March 31, 2010	954.69	875.81	90.21	-
March 31, 2009	526.40	461.60	-	-

* Information is furnished to the extent available within the group.

Defined Contribution Plans

In respect of the defined contribution plan (Provident fund), an amount of ₹1,742.88 lakhs (March 31,2012 : ₹ 1,784.05 lakhs) has been recognized as expenditure in the Statement of Profit and Loss/Capital Work-in-Progress

Other Employee Benefits

During the year the group has provided Retention Bonus of ₹1,087.05 (March 31, 2012 : ₹ 3,043.15) lakhs .

The provision for compensated absences as per actuarial valuation as at March 31, 2013 is ₹ 2,698.78 (March 31, 2012 : ₹ 5,589.7) lakhs.

45 Employee Stock Option Scheme

The Group has till March 31, 2013 allotted ₹ 111.18 lakhs (March 31, 2012: ₹ 111.18 lakhs) equity shares of ₹ 10 each to LCL Foundation (ESOP - Trust) towards the Employee Stock option plan 2006 (The Plan) which was formulated by the Group. The plan provides for grant of stock options of equity shares of the Company to employees of the Company and its subsidiaries subject to continued employment with the Company or Group.

Each option comprises of one equity share which will vest on annual basis at 20% each over five years and shall be capable of being exercised within a period of six years from the date of first annual vesting.

Each option granted under the above plans entitles the holder to one equity share of the Company at an exercise price, which is approved by the compensation committee.

The Plan is in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Stock Purchase Scheme) Guidelines, 1999.

Consequent to the splitting of Equity Share of ₹10 each into 10 equity shares of ₹ 1 each in the year 2009-10, the number of shares allotted to the trust and the options granted, forfeited, exercised are disclosed at ₹ 1 each.

A summary of the status of the Company's plan is given below:

Particulars	March 31, 2013		March 31, 2012	
	No. Lakhs	Weighted Average Exercise Price (₹)	No. Lakhs	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	366.06	0.24	489.83	0.24
Granted during the year	-	0.24	-	0.24
Forfeited during the year	(22.55)	-	(52.70)	-
Exercised during the year	(105.81)	0.24	(71.07)	0.24
Expired during the year	-	-	-	-
Outstanding at the end of the year	237.70	0.24	366.06	0.24
Exercisable at the end of the year	153.39	0.24	156.06	0.24

The weighted average share price for the period over which stock options were exercised was ₹ 13.33 (March 31, 2012: ₹ 20.97).

The details of exercise price for stock options outstanding at the end of the year are:

Grant No. (Grant Date)	March 31, 2013			
	Range of Exercise Price	Number of Options outstanding (Lakhs)	Weighted average remaining contractual life of options (in years)	Weighted average exercise price
Grant 1 (24.06.2006)	0.24	0.63	0	0.24
Grant 2 (02.07.2007)	0.24	106.40	0.25	0.24
Grant 3 (26.09.2007)	0.24	2.84	0.49	0.24
Grant 4 (24.04.2008)	0.24	13.55	1.07	0.24
Grant 5 (04.07.2008)	0.24	28.00	1.26	0.24
Grant 6 (01.11.2008)	0.24	2.3	1.59	0.24
Grant 7 (19.02.2009)	0.24	1.27	1.89	0.24
Grant 8 (29.07.2009)	0.24	24.09	2.33	0.24
Grant 9 (27.01.2010)	0.24	6.13	2.83	0.24
Grant 10 (30.04.2010)	0.24	5.25	3.08	0.24
Grant 11 (13.08.2010)	0.24	43.52	3.37	0.24
Grant 12 (12.11.2010)	0.24	3.72	3.62	0.24
		237.70		

Grant No. (Grant Date)	March 31, 2012			
	Range of Exercise Price	Number of Options outstanding (Lakhs)	Weighted average remaining contractual life of options (in years)	Weighted average exercise price
Grant 1 (24.06.2006)	0.24	1.10	0.23	0.24
Grant 2 (02.07.2007)	0.24	172.18	1.25	0.24
Grant 3 (26.09.2007)	0.24	6.54	1.49	0.24
Grant 4 (24.04.2008)	0.24	22.08	2.07	0.24
Grant 5 (04.07.2008)	0.24	37.65	2.26	0.24
Grant 6 (01.11.2008)	0.24	3.88	2.59	0.24
Grant 7 (19.02.2009)	0.24	2.00	2.89	0.24
Grant 8 (29.07.2009)	0.24	34.50	3.33	0.24
Grant 9 (27.01.2010)	0.24	10.96	3.83	0.24
Grant 10 (30.04.2010)	0.24	7.62	4.08	0.24
Grant 11 (13.08.2010)	0.24	61.41	4.37	0.24
Grant 12 (12.11.2010)	0.24	6.14	4.62	0.24
		366.06		

The Group has calculated the compensation cost based on the intrinsic value method i.e. the excess of previous closing price of underlying equity shares on the date of the grant of options over the exercise price of the options given to employees under the employee stock option schemes of the Group and is recognised as deferred stock compensation cost and is amortised on a straight line basis over the vesting period of the options. The group is using Black Sholes Model for calculating fair values of ESOP granted for determining impact of the fair value method of accounting of employee compensation in financial statement, the impact on net income and earnings per share is provided below:

Particulars		March 31, 2013	March 31, 2012
Net Income - As reported	₹ Lakhs	(1,07,329.46)	(11,203.47)
Add: ESOP Cost under Intrinsic Value Method	₹ Lakhs	1,936.99	3,461.96
Less: ESOP Cost under Fair Value Method (Black Sholes)	₹ Lakhs	1,960.19	3,494.51
Net Income – Proforma	₹ Lakhs	(1,07,352.66)	(11,236.02)
Basic Earnings per Share:			
As reported		(4.58)	(0.48)
Proforma		(4.59)	(0.48)
Diluted Earnings per Share:			
As reported		(4.58)	(0.48)
Proforma		(4.58)	(0.48)

The weighted average fair value of stock options granted during the year was N/A (Previous Year N/A) of share of ₹ 1 each.

Assumptions:-

	March 31, 2013	March 31, 2012
Weighted average share price (in ₹)	NA	NA
Exercise Price (in ₹)	NA	NA
Expected Volatility	NA	NA
Historical Volatility	NA	NA
Life of the options granted (Vesting and exercise period) in years	NA	NA
Expected dividends (in ₹)	NA	NA
Average risk-free interest rate	NA	NA
Expected dividend rate	NA	NA

46. LEASES

Finance Lease: As lessee

Assets acquired on finance lease mainly comprise Plant and Machinery which are used specifically for mining activities. The leases are non-cancellable and non-renewable. There is no escalation clause and majority of the lease expires in next 12 months.

The minimum lease rentals payable for the assets acquired under Finance Lease agreement and the present value of these rentals are as under:-

(₹ Lakhs)

	March 31, 2013		March 31, 2012	
	Minimum Lease Payments	Present Value of MLP	Minimum Lease Payments	Present Value of MLP
Future minimum lease payments and their present values				
Not later than one year	7,760.28	7,182.12	20,734.29	19,189.54
Later than one year and not later than five years	144.29	137.96	3,602.41	3,444.44
Later than five years	-	-	-	-
	7,904.58	7,320.09	24,336.70	22,633.98
Less: Future finance charges	584.49	-	1,702.73	-
Present value of Minimum Lease Payments	7,320.09	7,320.09	22,633.98	22,633.98

Operating Lease: As lessee

The group has entered into certain cancellable and non-cancellable operating lease agreements mainly for office premises. The lease rentals charged during the year and maximum obligations on long-term non-cancellable operating leases payable as per the agreements are as follows:-

(₹ Lakhs)

	March 31, 2013	March 31, 2012
Lease rentals charged during the year		
Under Cancellable Leases	2,855.31	1,151.05
Under Non-Cancellable Leases	2,032.65	2,747.62
Future minimum lease payments under Non-Cancellable Leases		
Not later than one year	1,654.77	2,188.50
Later than one year and not later than five years	309.59	1,708.53
Later than five years	-	-

There are no contingent rents in the lease agreement. The lease term is for 1 – 5 years and is renewable at the mutual agreement of both the parties. There is no escalation clause in the lease agreements (other than those disclosed above). There are no restrictions imposed by lease arrangements.

47. Segment Reporting

The details of primary segment information for the year ended March 31, 2013 and March 31, 2012 are given below:

a) The segment report of LITL and its subsidiaries (the Group) has been prepared in accordance with Accounting Standard 17 "Segment Reporting" as notified under Section 211(3C) of the Companies Act.

b) The Group is currently focused on five business segments: EPC and Construction, Power, Property Development, Infrastructure and Resources.

c) In respect of secondary segment information, the Group has identified its geographical segments as (i) India, (ii) Singapore, (iii) Australia and (iv) Others. The secondary segment information has been disclosed accordingly.

d) The business segments of the Group comprises of the following:

Segment	Details of Business
EPC and Construction	Construction of industrial, residential and Commercial buildings and Roads etc, Engineering, Procurement and Commissioning (EPC)
Power	Generation of Power and trading in power
Property Development	Development of integrated properties comprising of commercial and residential building
Infrastructure	Development of Roads on Build, Operate and Transfer basis and other infrastructure
Resources	Exploration, mining and marketing of coal
Others	Residual activities

e) For the purpose of reporting, business segments are primary segments and the geographic segment is a secondary segment.

f) Segment wise Name of Companies

1. EPC and Construction

1. Lanco Infratech Limited
2. Lanco Solar Energy Private Limited
3. Lanco International Pte Limited
4. Lanco Enterprise Pte Limited (China)
5. Lanco Solar International Pte Limited

2. Power

1. Lanco Infratech Limited
2. Lanco Power Limited
3. Lanco Thermal Power Limited
4. Lanco Kondapalli Power Limited
5. Lanco Tanjore Power Company Limited
6. Lanco Amarkantak Power Limited
7. Arneb Power Private Limited
8. Udupi Power Corporation Limited
9. Lanco Anpara Power Limited
10. Lanco Hydro Power Limited
11. Lanco Teesta Hydro Power Private Limited
12. Lanco Budhil Hydro Power Private Limited
13. Lanco Mandakini Hydro Energy Private Limited
14. Lanco Rambara Hydro Power Private Limited
15. Diwakar Solar Projects Limited
16. Lanco Solar Services Private Limited
17. Lanco Solar Private Limited
18. Khaya Solar Projects Private Limited
19. Bhanu Solar Projects Private Limited
20. Lanco Solar Power Projects Private Limited
21. Orion Solar Projects Private Limited
22. Pasiphae Power Private Limited
23. Sabitha Solar Projects Private Limited
24. Helene Power Private Limited
25. Omega Solar Projects Private limited
26. Lanco Wind Power Private Limited
27. Amrutha Power Private Limited
28. Spire Rotor Private Limited
29. Emerald Orchids Private Limited
30. JH Patel Power Project Private Limited
31. National Energy Trading and Services Limited
32. Lanco Infratech Nepal Private Limited
33. Lanco Power International Pte Limited
34. Lanco Solar Holding Netherland B.V. Utrecht
35. SolarFi SP 07
36. SolarFi SP 06
37. Lexton Trading (Pty) Limited
38. Approve Choice Investments (Pty) Limited
39. Bar Mount Trading (Pty) Limited
40. Barrelake Investments (Pty) Limited
41. Belara Trading (Pty) Limited
42. Caelamen (Pty) Limited
43. Dupondius (Pty) Limited
44. Gamblegreat Trading (Pty) Limited
45. Lanco Solar International Limited
46. Lanco Solar International GMBH
47. Lanco Solar International US Inc.
48. Lanco Rocky Face Land Holdings LLC
49. Lanco Tracy City Land Holdings LLC
50. Lanco IT PV Investments B.V.
51. Apricus SRL
52. Green Solar SRL
53. Lanco US PV Investments B.V.
54. Lanco Solar Holdings, LLC (USA)
55. Lanco Virgin Islands - 1 LLC
56. Lanco SP PV 1 Investments B.V.
57. Bhola Electricity Private Limited

3. Property Development

1. Lanco Hills Technology Park Private Limited
2. Uranus Projects Private Limited
3. Jupiter Infratech Private Limited
4. Uranus Infratech Private Limited
5. Leda Properties Private Limited
6. Coral Orchids Private Limited
7. Thebe Properties Private Limited
8. Cressida Properties Private Limited
9. Nix Properties Private Limited
10. Cordelia Properties Private Limited
11. Deimos Properties Private Limited
12. Dione Properties Private Limited
13. Neptune Projects Private Limited
14. Pearl Farms Private Limited
15. Telesto Properties Private Limited

4. Resources

1. Lanco Resources International Pte Limited
2. Lanco Resources Australia Pty Limited
3. The Griffin Coal Mining Company Pty Limited
4. Carpenter Mine Management Pty Limited
5. Western Australia Coal Terminal Pty Ltd.
6. Mahatamil Mining and Thermal Energy Limited

5. Infrastructure

1. Lanco Infratech Limited
2. Mercury Projects Private Limited
3. Lanco Kanpur Highways Limited

6. Others

1. LE New York - LLC
2. Lanco Holding Netherland B.V
3. P.T Lanco Indonesia Energy
4. Lanco Infratech (Mauritius) Limited

Segment Reporting for the Year Ended March 31, 2013

g) The details of Primary Segments information for the year ended March 31, 2013 and March 31, 2012 are given below:

(₹. in Lakhs)

Business Segments	EPC and Construction		Power		Property Development		Infrastructure		Resources		Unallocable		Eliminations		Total	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Revenue																
External Customers	4,07,424.19	5,13,821.33	8,62,190.53	4,31,031.51	16,773.08	7,525.10	-		95,404.62	69,025.47	3,357.22	5,770.63			13,85,149.63	10,27,174.04
Inter Segment Revenue	1,30,792.83	4,78,541.23	4,067.23	30,102.57	-		-		-		5,960.23	2,383.55	(1,40,820.29)	(5,11,027.35)	-	-
Total Revenues	5,38,217.02	9,92,362.56	8,66,257.76	4,61,134.08	16,773.08	7,525.10	-	-	95,404.62	69,025.47	9,317.45	8,154.18	(1,40,820.29)	(5,11,027.35)	13,85,149.64	10,27,174.04
Segment Result before Eliminations	68,604.72	1,29,521.07	1,09,862.45	1,11,115.67	185.53	(459.09)	-	-	(30,079.84)	(22,182.07)	(1,194.87)	(3,393.15)	(1,40,820.29)		1,47,377.99	2,14,602.42
Inter Segment Profit	(1,973.22)	75,553.46	147.88	202.24	-	-	-	-	-	-	66.97	106.64			(1,758.36)	75,862.34
Segment Result	70,577.94	53,967.61	1,09,714.56	1,10,913.43	185.53	(459.09)	-	-	(30,079.84)	(22,182.07)	(1,261.85)	(3,499.79)	(1,40,820.29)	-	1,49,136.35	1,38,740.08
Interest											2,42,144.24	1,05,385.10			2,42,144.25	1,05,385.10
Unallocated Other Income											3,615.98	1,483.33			3,615.98	1,483.33
Profit/(Loss) before tax															(89,391.92)	34,838.31
Provision for Current tax															15,294.07	19,717.00
Provision for Deferred tax															2,667.58	2,745.24
Net Profit/(Loss) after taxation															(1,07,353.57)	12,376.07
Other Information																
Segment Assets	6,41,080.08	5,60,224.92	33,87,821.26	32,64,870.58	2,21,494.53	2,15,269.85	78,883.77	68,624.12	7,21,139.40	6,89,785.93	31,707.14	42,594.64	-	-	50,82,126.18	48,41,370.04
Segment Liabilities	7,12,296.99	8,77,988.17	2,82,593.78	94,659.68	46,243.15	38,573.46	575.20	1,521.12	82,227.20	57,183.53	34,97,526.19	32,05,650.75	-	-	46,21,462.51	42,75,576.71
Capital Expenditure	8,314.96	24,504.37	2,52,501.03	5,44,826.57	8,298.78	16,298.96	1,701.68	2,609.82	42,078.12	73,218.69	-	552.34	-	-	3,12,894.57	6,62,010.75
Depreciation/ Amortisation	9,875.53	8,951.52	82,751.98	29,284.91	106.01	255.26	-	-	19,782.26	17,759.01	65.34	28.84	-	-	1,12,581.12	56,279.54
Other Non-Cash Expenses	7,232.87	12,325.33	4,024.39	4,851.08	91.49	105.61	-	-	73.62	(556.71)	-	-	-	-	11,422.37	16,725.31

h) The group's secondary segments are the geographic distribution of the activities. Revenues and receivables are specified by location of customers while the other geographical information is specified by location of assets. The following table summarizes the geographical information for the year ended March 31, 2013 and March 31, 2012:

Geographical Segments	India		Singapore		Australia		Other		Total	
Particulars	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
External Revenue by Location of Customers	12,88,076.25	9,56,887.41	-	-	95,404.62	45,488.01	1,668.77	24,798.62	13,85,149.64	10,27,174.04
Carrying Amount of Segment Assets by Location of Assets	42,59,042.06	40,02,392.92	1,05,999.99	1,36,283.75	7,07,013.13	6,79,429.17	10,071.00	23,264.20	50,82,126.18	48,41,370.04
Capital expenditure	2,75,271.58	5,89,647.07	66.97	902.95	37,556.02	67,652.60	-	3,808.13	3,12,894.57	6,62,010.75

48. Related Party Transactions

a) Names of Related Parties and description of relationship.

Relation	S. No.	Related Party Name
Holding Company	1	Lanco Group Limited (LGL)
Fellow Subsidiary	1	Lanco Babandh Power Limited (LBPL)
Enterprises where Significant Influence Exists	1	Ananke Properties Private Limited (AnPPL)
	2	Avior Power Private Limited (AvPPL)
	3	Basava Power Private Limited (BPPL)
	4	Bay of Bengal Gateway Terminal Private Limited (BBGTPL)
	5	Belinda Properties Private Limited (BePPL)
	6	Bianca Properties Private Limited (BiPPL)
	7	Charon Trading Private Limited (CTPL)
	8	DDE Renewable Energy Private Limited (DREPL)
	9	Electromech Maritech Private Limited (EMPL)
	10	Finehope Allied Engineering Private Limited (FAEPL)
	11	Genting Lanco Power (India) Private Limited (GLPIPL)
	12	Himavat Power Private Limited (HPPL)
	13	KVK Energy Ventures Private Limited (KEVPL)
	14	Lanco Devihalli Highways Limited (LDHL)
	15	Lanco Hoskote Highway Limited (LHHL)
	16	Lanco Vidarbha Thermal Power Limited (LVTPL)
	17	Mimas Trading Private Limited (MTPL)
	18	Mirach Power Limited (MiPL)
	19	Newton Solar Private Limited (NSPL)
	20	Phoebe Trading Private Limited (PTPL)
	21	Pragdisa Power Private Limited (PrPPL)
	22	Regulus Power Private Limited (RPPL)
	23	Saidham Overseas Private Limited (SOPL)
	24	Siddheswara Power Private Limited (SiPPL)
	25	Tethys Properties Private Limited (TPPL)
	26	Vainateya Power Private Limited (VPPL)
	27	Vasavi Solar Power Private Limited (VSPPL)
Key Management Personnel	1	Mr. L. Madhusudhan Rao (Chairman) (LMR)
	2	Mr. G. Bhaskara Rao (Vice Chairman) (GBR)
	3	Mr. G. Venkatesh Babu (Managing Director) (GVB)
	4	Mr. S.C. Manocha (Deputy Managing Director) (SCM)
Relatives of Key Management Personnel	1	Mrs. L. Raja Lakshmi (Spouse of LMR) (LRL)
	2	Mrs. G. Padmavathi (Spouse of GBR) (GP)
	3	Mr. L. Sridhar (Brother of LMR) (LS)
	4	Mrs. L. Sirisha (Spouse of LS) (LSi)
	5	Mr. G. Avinash (Son of GBR) (SGA)
	6	Mr. L. Rajagopal (Brother of LMR) (LRG)
Enterprises owned or significantly influenced by key management personnel or their relatives	1	Chatari Hydro Power Private Limited (CaPTL)
	2	Cygnus Solar Projects Private Limited (Formerly Callisto Trading Private Limited) (CSPPL)
	3	Himachal Hydro Power Private Limited (HHPPL)
	4	Hastinapur Property Pvt. Ltd. (HSPPPL)
	5	Infra India Ventures Private Limited (IIVPL) (Formerly Lanfin Ventures Private Limited) (LVPL)
	6	Lanco Bay Technology Park Private Limited (LBTPL)
	7	Lanco Foundation (LF)
	8	Lanco Enterprise Private Limited (LEnt PL)
	9	Lanco Horizon Properties Private Limited (LHrPPL)
	10	Lanco Operation and Maintenance Company Limited (LOMPL)
	11	Lanco Property Management Private Limited (LPMPL)
	12	Lanco Kerala Seaports Private Limited (LKSPL)
	13	Lanco Rani Joint Venture (LR)
	14	Lanco Transport Network Company Private Limited (LTNCPL)
	15	LCL Foundation (LCL)
	16	Nekkar Power Private Limited (NePPL)
	17	Ravi Hydro Electric Private Limited (RHEPL)
	18	S.V. Contractors (SVC)
	19	Unique Corporate Consultants Pvt. Ltd. (UCCPL)

b) Summary of transactions with related parties are as follows:

(₹ in Lakhs)

Nature of Transaction	March 31, 2013									
	Fellow Subsidiary		Enterprises where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Contract Services Rendered	LBPL	34,988.05	LVTPL	40,526.74					LF	162.39
			KEVPL	3,346.26						
			LHHL	827.12						
			Others	270.81						
		34,988.05		**44,970.93**						**162.39**
Contract Services/ Shared Services Provided / (Availed)	LBPL	**109.77**	HPPL	**54.88**						
Interest Paid/ (Received)			KEVPL	213.17						
			EMPL	(166.73)						
			NSPL	(166.82)						
			VSPPL	(184.81)						
			FAEPL	(253.63)						
			DREPL	(334.14)						
			SOPL	(439.14)						
			LDHL	(1,032.55)						
			LHHL	(2,149.87)						
				(4,514.52)						
Donations Paid									LF	**396.05**
Managerial Remuneration					GBR	420.86				
					GVB	399.41				
					LMR	345.02				
					SCM	197.38				
						1,362.65				
Sitting Fee					LMR	**1.00**	LS	**3.60**		
Receipts/ Payments/ Adjustments(Net) + (-)	LBPL	(47,844.19)	LVTPL	(26,806.58)	GVB	0.07			LR	14.14
			Others	(1,320.43)					LF	(175.43)
									LEntPL	(242.35)
		(47,844.19)		**(28,127.02)**		**0.07**				**(403.66)**
Purchase / (Sale) of Shares	LBPL	**4,455.00**	HPPL	**1,205.00**						
Share Application Money Paid during the year	LBPL	300.00	LDHL	720.80						
			PrPPL	114.50						
			VPPL	50.00						
		300.00		**885.30**						
Share Application Money Refunded during the year			PrPPL	1,079.00					NePPL	2.00
			Others	26.00						
				1,105.00						**2.00**
Management Consultancy Fee Charged			LDHL	127.68						
			LHHL	153.41						
				281.09						
Operation and Maintenance Expenses			GLPIPL	(2,441.91)						
				(2,441.91)						
Other Expenses/ (Incomes)/ (Recoveries)			HPPL	**5.74**						
Inter Corporate Deposits given/ (taken)/ (refunded) during the year			LHHL	**2,848.00**						
Purchase of Fixed Assets	LBPL	**0.25**	LVTPL	**17.94**						
Sale of Fixed Assets	LBPL	10.53	LVTPL	22.89						
			HPPL	4.75						
		10.53		**27.64**						

(₹ in Lakhs)

Nature of Transaction	March 31, 2013									
	Fellow Subsidiary		Enterprises where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Corporate Guarantee given to Banks / Financial Institutions on behalf of Related Parties (balance as at the year end)	LBPL	3,23,270.78	HPPL	37,090.00						
			LHHL	35,892.24						
			Others	13,378.31						
		3,23,270.78		86,360.55						
Balance Receivable at the year end - Share Application Money			PrPPL	30,430.26					LHrPPL	31.87
			VPPL	30,578.27					NePPL	8.00
			RPPL	85.75					CaPTL	3.00
			PTPL	50.00					HSPPL	296.00
			PrPPL	1,065.00					LPMPL	58.00
			Others	777.07						
				62,986.36						396.87
Balance Receivable at the year end-Loans			LHHL	19,337.00						
			LDHL	7,290.00						
			FAEPL	2,566.10						
			VSPPL	2,370.00						
			NSPL	2,099.00						
			EMPL	2,037.00						
			DREPL	1,979.00						
			Others	12.84						
				37,690.94						
Balance Receivable at the year end - Others (Trade Receivables and Other Receivables)	LBPL	19,624.76	LVTPL	8,278.59					LR	1,400.75
			SOPL	5,971.16					Others	116.99
			KEVPL	3,731.38						
			DREPL	3,275.89						
			LHHL	2,976.03						
			FAEPL	207.09						
			VSPPL	166.33						
			NSPL	144.82						
			EMPL	141.58						
			HPPL	26.62						
			HPPL	20.88						
			CTPL	505.11						
			Others	423.21						
		19,624.76		25,868.69						1,517.74
Balance Payable at the year end-Others (Trade Payables and Other Payables)	LBPL	1,47,423.68	LVTPL	93,211.51	GVB	0.01	LS	0.20	LEntPL	436.93
			HPPL	73,906.82					LF	185.73
			PrPPL	30,851.44					Others	20.52
			VPPL	29,059.24						
			KEVPL	25,514.92						
			GLPIPL	1,266.21						
			VSSPL	263.54						
			PTPL	95.19						
		1,47,423.68		2,54,168.86		0.01		0.20		643.18

(₹ in Lakhs)

Nature of Transaction	March 31,2012									
	Fellow Subsidiary		Enterprises where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Contract Services Rendered			LBPL	1,19,604.42						
			LVTPL	67,754.26						
			UPCL	35,260.78						
			LAnPL	22,765.12						
			FAEPL	7,603.40						
			VSPPL	7,603.40						
			SOPL	7,603.40						
			NSPL	6,953.61						
			EMPL	6,815.78						
			DREPL	6,815.78						
			Others	9,688.79						
				2,98,468.74						
Contract Services/ Shared Services Provided (Availed)			LAnPL	100.40						
			LBPL	100.40						
			HPPL	16.73						
				217.53						
Interest Paid/ (Received)			UPCL	3,108.49						
			KEVPL	345.01						
			LBPL	(62.53)						
			LAnPL	(5.56)						
				3,385.41						
Donations Paid									LF	825.99
Managerial Remuneration					GVB	580.62				
					SCM	392.45				
					GBR	386.39				
					LMR	380.58				
						1,740.04				
Sitting Fee					LMR	0.80	LS	2.20		
Purchase/(Sale) of Shares			PTPL	103.19	GBR	3.50	GP	1.70		
			PPPL	8.00	LMR	1.20	LRL	1.20		
			RPPL	(85.71)			SGA	0.75		
							LS	1.70		
							LSi	0.85		
							LRG	0.35		
				25.48		4.70		6.55		
Share Application Money Paid during the year			LBPL	41,062.00					LHrPPL	15.37
			LVTPL	17,500.00						
			RPPL	10,420.00						
			Others	1,143.15						
				70,125.15						15.37
Share Application Money Refunded during the year			RPPL	10,400.00						
			Others	1,315.00						
				11,715.00						
Management Consultancy Fee Charged			UPCL	720.00						
			LHHL	153.41						
			LDHL	127.68						
				1,001.09						
Work Contract Expenses			UPCL	220.44						

(₹ in Lakhs)

Nature of Transaction	March 31,2012									
	Fellow Subsidiary		Enterprises where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Operation and Maintenance Expenses			GLPIPL	2,617.77						
Other Expenses / (Incomes) / (Recoveries)			LAnPL	(13,310.58)					LHrPPL	(0.01)
			LBPL	(6,696.60)						
			LVTPL	(3,856.13)						
			Others	(49.97)						
				(23,913.28)						(0.01)
Purchase / (Sale) of Goods / Power			UPCL	(5,081.64)						
				(5,081.64)						
Inter Corporate Deposits given/ (taken)/ (refunded) during the year			LBPL	(15,400.00)						
Purchase of Fixed Assets			LAnPL	15.41						
			LHHL	0.75						
				16.16						
Sale of Fixed Assets			HPPL	13.91						
			LAnPL	0.13						
				14.04						
Corporate Guarantee given to Banks/Financial Institutions on behalf of Related Parties (balance as at the year end)	LBPL	2,47,924.00	HPPL	35,000.00						
			LHHL	34,685.47						
			LDHL	25,578.00						
			KEVPL	5,000.00						
		2,47,924.00		1,00,263.47						
Balance Receivable at the year end - Loans			LHHL	14,520.69						
			LDHL	10,403.07						
			Others	17.09						
				24,940.85						
Balance Receivable at the year end - Share Application Money			VPPL	30,351.50					LHrPPL	31.87
			PrPPL	30,266.76					CaPTL	3.00
			AnPPL	3,313.88					NePPL	10.00
			BePPL	3,293.90						
			BiPPL	3,293.90						
			TPPL	3,293.90						
			Others	1,219.67						
				75,033.50						44.87
Balance Receivable at the year end-Others (Trade Receivables and Other Receivables)	LBPL	31,391.89	LVTPL	16,136.68	SCM	5.04			LR	1,387.36
			VSPPL	6,208.87					Others	81.36
			SOPL	6,210.98						
			FAEPL	6,190.70						
			NSPL	5,411.75						
			DREPL	5,391.16						
			EMPL	5,395.18						
			Others	3,592.48						
		31,391.89		54,537.80		5.04				1,468.72
Balance Payable at the year end - Others (Trade Payables and Other Payables)	LBPL	1,46,438.15	LVTPL	1,14,793.72	SCM	31.16			LF	53.76
			HPPL	73,747.06	GVB	0.08			LCL	13.72
			PrPPL	30,167.89					LHrPPL	6.81
			VPPL	28,375.69					LR	0.74
			KEVPL	4,500.00						
			GLPIPL	1,083.69						
			Others	95.19						
		1,46,438.15		2,52,763.24		31.24				75.03

49. Forward Contracts

(₹ Lakhs)

	Currency	March 31, 2013	March 31, 2012
Details of Forward Cover for amount outstanding as on Balance sheet date			
For Buy (Hedge for foreign currency loan repayment)	USD	50,191.11	97,787.92
For Sale (Hedge for future sale proceeds)	USD	-	1,074.29
Interest Rate Swaps (Hedge against exposure to variable interest outflow)	USD	-	45,017.72
Details of Forward Cover for Firm Commitments and highly probable forecast transaction			
For Buy (Against AUD)	USD	-	64,778.58
For Sale (Against AUD)	USD	24,480.49	1,16,971.90
Interest Rate Swaps		-	-
Currency Swaps (Against CNY)	USD	23,669.68	2,49,142.37

Details of Unhedged Foreign Currency Exposure	Currency	March 31, 2013		
		Exchange Rate	Amount in Foreign Currency (Lakhs)	Amount in ₹ (Lakhs)
Trade Payables	EURO	69.54	14.49	1,007.69
Trade Payables	USD	54.39	1,191.59	64,809.92
Secured foreign currency loans (Buyers Credit)	EURO	69.54	28.36	1,972.26
Secured foreign currency loans (Buyers Credit)	USD	54.39	5,531.86	3,00,873.94
Secured foreign currency term loans including interest	USD	54.39	7,242.75	3,93,928.12
Advance from Customers	USD	44.90	2,501.32	1,12,306.03
Trade receivables	USD	54.39	1,017.56	55,344.38
Advances Recoverable in Cash or in kind (Advance to Supplier)	USD	44.68	16.13	720.84
Advances Recoverable in Cash or in kind (Advance to Supplier)	EURO	69.54	0.69	47.99
Advances Recoverable in Cash or in kind (Advance to Supplier)	GBP	81.80	0.06	4.91
Net Exposure				**8,18,779.84**

	Currency	March 31, 2012		
		Exchange Rate	Amount in Foreign Currency (Lakhs)	Amount in ₹ (Lakhs)
Trade Payables	EURO	68.34	6.52	445.58
Trade Payables	USD	51.16	847.15	43,337.05
Secured foreign currency loans (Buyers Credit)	EURO	68.34	112.16	7,665.04
Secured foreign currency loans (Buyers Credit)	USD	51.16	4,774.60	2,44,252.05
Secured foreign currency term loans including interest	USD	51.16	6,450.78	3,29,999.18
Advance from Customers	USD	44.90	3,092.88	1,38,866.39
Trade receivables	USD	51.16	873.31	44,675.53
Advances Recoverable in Cash or in kind (Advance to Supplier)	USD	44.68	11.09	495.36
Advances Recoverable in Cash or in kind (Advance to Supplier)	EURO	68.34	0.25	16.96
Advances Recoverable in Cash or in kind (Advance to Supplier)	GBP	81.80	0.02	1.65
Net Exposure				**7,19,375.79**

50. Movement in Provisions

(₹ Lakhs)

Particulars	March 2013		
	Mine Restoration	**Operations & Maintenance**	**Warranties**
(a) Balance as on 01.04.2012	23,014.08	2,549.85	25,998.90
(b) Additional Provision made during the year	5,248.22	1,060.71	7,518.90
(c) Provision reversed / used during the year	-	1,227.94	-
(d) Foreign exchange rate variation	804.86	-	1,642.56
(e) Balance as on 31.03.2013 (a+b-c+d)	29,067.16	2,382.62	35,160.36

(₹ Lakhs)

	March 2012		
(a) Balance as on 01.04.2011	10,067.09	1,309.78	-
(b) Additional Provision made during the year	12,738.83	9,956.54	25,998.90
(c) Provision reversed / used during the year	1,245.60	8,716.47	-
(d) Foreign exchange rate variation	1,453.76	-	-
(e) Balance as on 31.03.2012 (a+b-c+d)	23,014.08	2,549.85	25,998.90

51. Capital and Other Commitments

(₹ Lakhs)

	March 31, 2013	March 31, 2012
Estimated amount of contracts remaining to be executed on capital account and not provided for	19,66,754.41	20,18,551.85
Investment Commitment in Associates	2,45,322.24	2,57,282.74
Contractual obligations for purchase of coal under fuel supply agreement	1,044.81	1,060.88
Contractual obligation for Long-Term Access for transmission of power	5,658.15	12,126.75

52. Contingent Liabilities - Not probable and therefore not provided for

(A) Claims disputed by Group *

(₹ Lakhs)

	March 31, 2013	March 31, 2012
Duty Draw Back	728.05	728.05
Customs Duty	6,957.77	6,957.77
Sales tax Liability	568.87	1,080.29
Service tax Liability	11,304.21	11,356.33
Income tax Liability	500.57	1,465.50
Construction Cess under Building and Other Construction Workers Act, 1996	345.46	345.46
Seignorage Fees and others	3,029.31	1,929.31

*Tax demands disputed by the group, based on the internal assessment and/or legal opinion, management is confident that these matters will be decided in its favour.

Bond for SEZ **	11,548.83	6,369.64

** In case of LSPL, Bond Cum Legal Undertaking for Special Economic Zone (SEZ) has been entered between LSPL and President of India acting through the Development Commissioner of Visakhapatnam SEZ and the Special Officer for ₹ 17,124 lakhs. As per the terms and conditions of the Bond cum Legal Undertaking, LSPL shall be obligated to pay all duties chargeable on the goods imported if LSPL carries any operations other than authorized operations as per SEZ Act 2005. The amount of utilisation till March 31, 2013 is ₹ 11,548.83 lakhs.

(B) Company's share of contingent liabilities of associate companies is ₹ 218.51 (March 31, 2012: ₹ 306.30) Lakhs.

(C) Outstanding corporate guarantees - ₹ 4,09,631.33 (March 31, 2012: ₹ 3,48,187.47) lakhs.

(D) Claims not acknowledged as debts

(i) In case of LKPL with respect to Phase I where the LKPL is selling electric energy under a power purchase agreement (PPA) with Andhra Pradesh Power Co-ordination Committee (APPCC), APPCC has raised certain disputes regarding the installed capacity and the reduction in tariff as per the PPA which are subjudice at present. As these matters are technical and interpretational in nature, the Management contends that it is not practicable to estimate the overall financial impact, if any, at this stage. Pending such disputes, the Company has recognised revenue to the extent accepted by the APPCC as in earlier years. Further, the Management based on its internal assessment and legal opinion, is confident that the above matters will be decided in its favour.

(ii) In case of LKPL, On December 15, 2005, APPCC raised a claim of liquidated damages amounting to ₹ 9,516 lakhs towards alleged delay in commissioning of the Phase I project as stipulated in PPA by the LKPL and has unilaterally adjusted dues to extent of ₹ 4,625.21 lakhs from the monthly tariff bill dated December 12, 2005 against this claim.

On June 13, 2011, APERC passed an order stating that there was a delay in the commissioning of the Phase I project and thus, the Liquidated damages amounted to ₹ 7,486.95 lakhs. However, it is held that such claim by APPCC is barred by limitation. Whilst the matter stood thus, APPCC adjusted another ₹ 6,268.95 lakhs against the tariff bill dated June 13, 2011 and informed the LKPL that an interest of ₹ 6,214.04 lakhs accrued on their claim and demanded the balance amount of ₹ 2,806.83 lakhs. The LKPL in response filed a review petition with APERC against the order dated June 13, 2011 and APERC by its order dated July 12, 2011 stayed further demand of ₹ 2,806.83 lakhs. Presently the matter is pending with APERC.

The Management on the basis of a legal advice, is confident that the amounts so deducted are recoverable and no adjustments are required in respect of such dues recognized as receivable as at March 31, 2013.

(iii) In case of LKPL on March 13, 2012, APERC passed an order that the LKPL is entitled for reimbursements of Minimum Alternative Tax (MAT) for the periods April 2006 and onwards with consequential reliefs i.e. with interest at the rate prescribed in the PPA

till the realization of the said amount. Pending acceptance by the Board, the revenue in respect of MAT reimbursements from April 2001 have been postponed. In respect of the claims prior to April 2006, the LKPL has filed an appeal before Appellate Tribunal for Electricity (APTEL) and the same was allowed in favour of the Company. APPCC has filed an appeal before the Supreme Court and the Supreme Court has an interim arrangement as directed APPCC to pay 50% of the MAT computed by APERC for the period 2006 to 2009 directly to the Company and remaining 50% to secure by way of Bank Guarantee. However, the main case is pending.

(iv) In case of LKPL, PGCIL on August 24, 2012 has issued an Invoice for ₹ 1,010 lakhs (March 31, 2012: ₹ Nil) towards Open Access Charges for Western Region for the period from April 2011 to June 2011 relying on revision of energy account. The LKPL filed a petition before CERC questioning the said Invoice. Further, the Management, based on its internal assessment, is confident that the above matters will be decided in its favour.

(v) In case of LTPCL, Tamil Nadu Generation and Distribution Company (TANGEDCO) raised a claim of ₹ 718.00 lakhs (Previous year: ₹ 718.00 lakhs) in the prior years, towards refund of fixed charges paid by them for power supplies made by the LTPCL prior to the date of commercial operations. Further, in the prior years, the LTPCL has received a demand from TANGEDCO towards non-payment of development charges, maximum demand charges and low power factor penalty relating to testing and commissioning power from December 31, 2004 to August 11, 2005 amounting to ₹ 159.6 lakhs (Previous year : ₹ 159.6 lakhs). Based on legal advice obtained, the Management is of the view that the above claims are not tenable and the same can be successfully contested and hence no provision has been made in the accounts. As per the direction of High Court, cases have been referred to Tamil Nadu Electricity Regulatory Commission (TNERC) for adjudication.

(vi) In case of LTPCL Gail India Limited raised a claim of ₹ 243.74 lakhs towards recovery of market rate for APM gas supplied beyond APM allocation for the period 01.07.2005 to 31.03.2010. Based on legal advice obtained, the Management is of the view that the above claims are not tenable and the same can be successfully contested and hence no provision has been made in the accounts. As per the direction of Delhi High Court, cases has been referred for the Arbitration. GAIL made an application to Supreme Court to merge all the cases with similar issue and be heard in Delhi High Court or by Supreme Court itself.

(vii) In the case of LTHPPL, the Company has provided ₹ 473.12 lakhs (March 31, 2012: ₹ 313.75 lakhs) towards Environmental Cess in the books of accounts on import of goods from outside Sikkim as on Balance sheet date under the Sikkim Ecology Fund and Environmental Cess Act but the same has not been remitted to the Government of Sikkim as the Company has represented to the Government of Sikkim to waive the Cess on the project and the company is awaiting the Government's direction/order in this respect.

(viii) In case of LHPL & LTPL, has received a notice from Assistant Provident Fund Commissioner, Shimla regarding project work as a principal employer. The Company (EPC contractor) is appearing before the PF authorities. Further any liability regarding the case will be borne by the Company in align of EPC contract.

(ix) In case of GCM, Genbow Pty. Ltd. - Forfeiture of Coal Mining Leases : On May 10, 2013, Warden Wilson handed down his judgement in respect of two preliminary questions before him, the principal one being whether, on a proper construction of the State Agreement and associated legislation, Griffin's coal mining leases (CMLs) were exempt from the need to comply with the expenditure conditions under the 1978 Mining Act. The Warden confirmed Griffin's view that Griffin's CMLs are exempt from the requirement to comply with expenditure conditions under the 1978 Mining Act. The Warden accepted all of Griffin's arguments in support of the contention. In essence, he accepted that the CMLs continue to be governed by the 1904 Mining Act by virtue of the State Agreement and associated legislation and nothing in Schedule 2 of the 1978 Mining Act affected this position. The Warden reserved his decision on costs, which issue will be dealt with at a subsequent date.

(x) In case of GCM, WR Carpenter Agriculture Pty. Ltd. - Lanc Access: GCM is currently mining through some leases that overlay land owned by a company WR Carpenter Agriculture Pty Ltd (WRC Ag). WRC Ag used to be a related entity until Lanco Resources Australia acquired Griffin Coal. Until that point WRC Ag knowingly allowed Griffin Coal to continue to mine through its land, which commenced in early 2009. On April 11, 2013, Warden Wilson ordered that Plaint 372079 be stayed until further order (on the basis of WR Carpenter having failed to comply with order 2 of the warden dated February 13, 2013) and that WR Carpenter pay to the Director - General of Mines the amount of $1,92,463 to be held in trust as security for costs in plaint 372079.

(xi) In case of CMM, Department of Mines and Petroleum Vs CMM - Char Plant Magistrate's court proceedings : On October 23, 2008, an explosion occurred at the Ewington Trial Char Plant, located within a fenced compound on the Griffin Coal Ewington Mine, which resulted a fitter working at the plant site that day, being badly burned .On November 24, 2011, the State Solicitor's Office (SSO) (on behalf of the Department of Mines and Petroleum) served Griffin Coal and Carpenter Mine Management Pty Ltd (CMM) with prosecution notices alleging two charges against each of Griffin Coal and CMM for breach of the Mines Safety and Inspection Act 1994 (WA). The SSO discontinued one of the charges against CMM on February 28, 2012. After receiving prosecution disclosure in early 2012, Griffin successfully negotiated that both charges be dropped against Griffin Coal in exchange for CMM pleading guilty to the remaining charge against it. CMM was originally meant to be sentenced in December 2012 but the Magistrate raised some factual issues (mostly concerning plant operation and design) which the

parties negotiated an agreed response to. The next sentencing hearing in the Magistrate's Court is scheduled. The parties filed an agreed response to the Magistrate's questions and there is a chance that CMM's penalty will be handed down late May 2013.

(xii) In case of GCM, Griffin windfarm Holdings Pty Ltd (in Liq) Vs GCM : GCM is currently mining through some leases that overlay land owned by a company Griffin Windfarm Holdings Pty Ltd. (Griffin Windfarm). Griffin Windfarm used to be a related entity until LRAPL acquired GCM. Until that point Griffin Windfarm knowingly allowed GCM to continue to mine through its land, which commenced in early 2010. The liquidators for Griffin Windfarm (Pricewaterhouse Coopers) wish to hold a further without prejudice meeting with GCM to explore avenues for settling these proceedings. Griffin Windfarm have asked whether we can meet on 11th, 12th or 13th in advance of the next mention hearing on June 14, 2013. If the matter is not resolved in the course of without prejudice discussions, then there will likely need to be a preliminary hearing on a number of issues.

53. In case of LKPL with respect to the amounts billed by the LKPL, for sale of electrical energy and for other claims up to June 15, 2003, APTRANSCO has retained certain amounts. Recognition of this revenue has been postponed till acceptance by APTRANSCO. The LKPL has initiated proceedings in APERC for resolution of all such pending issues regarding outstanding amounts with APTRANSCO.

54. In case of LKPL Phase III expansion project is getting ready and Phase II plant is operating at low level due to shortage of gas. The LKPL is actively pursuing/making representations with various government authorities to secure the gas, which is in short supply now. The LKPL is closely monitoring the macro situation and is evaluating various approaches/alternatives to augment the gas supply. The Management is confident that the Government of India would take necessary steps/initiatives in this regard. The LKPL has approached its Phase III lenders for reschedulement of commercial operation date and repayment of project term loans. The LKPL has approached Ministry of Corporate Affairs seeking its permission to continue to capitalise the interest on its Phase III borrowings post completion/ commissioning of the project till obtaining the gas allocation, as the gas availability/allocation is beyond the control of the LKPL.

55. a) In case of LAPL, A Settlement Agreement was signed on October 16, 2012 between the LAPL, PTC India Limited ("PTC") and M.P. Power Management Company Limited (MPPMCL) for commencement of sale of Power from Unit 1. Pursuant to the signing of Settlement Agreement, Implementation Mechanism is to be entered into between the parties for implementation of PPA and PSA with modifications as mentioned therein. The Power supply to PTC (MPPMCL) will commence and validity of PPA and PSA pursuant to the settlement shall be 25 years from the date of commencement of power supply. It was agreed that tariff shall be decided as per applicable CERC Tariff Regulations without any cap on tariff. MPPMCL shall file an application before MPERC for approval of the power procurement process, including the price at which electricity would be procured. The Agreement has been reached agreeing to put an end to the disputes involving the Parties and without going into merits of the contentions of the pending legal proceedings. All pending cases with PTC and M.P. including the debarment of LAPL & other Lanco group Companies have been withdrawn or in the process of withdrawal. Implementation Mechanism for PPA was signed between the parties on 24th November 2012. Accordingly, MPPMCL obtained tariff approval from M.P. Electricity Regulatory Commission (MPERC) for the year 2012-13 and power supply commenced with effect from December 3, 2012 as per the provisions of PPA dated May 11, 2005 read with Implementation Mechanism for PPA dated November 24, 2012.

b) The LAPL had entered into a Power Purchase Agreement ("PPA") with PTC India Ltd. (PTC) for sale of power generated from its Unit 2. PTC further signed a Power Sale Agreement ("PSA") with Haryana Power Generation Corporation Limited ("HPGCL") for sale of power purchased from the LAPL. The LAPL had terminated the aforesaid PPA, as PTC failed in its obligation under the PPA to obtain long-term open access within the specified time which is a condition precedent to be fulfilled by PTC under the PPA. The LAPL, thereafter, signed another PPA with Chhattisgarh State Power Trading Company Limited ("CSPTCL") for sale of 35% of the capacity in accordance with the Implementation Agreement signed by the LAPL with the Government of Chhattisgarh. The LAPL filed an appeal and stay application with the Appellate Tribunal of Electricity ("APTEL") against the order of the HERC dated 02.02.2011. The APTEL in its interim order dated 23.03.2011 granted a limited and conditional stay of the order and directed that 35% of the power generated from LAPL's unit 2 should be sold to the state of Chattisgarh and the balance power is to be sold to PTC. PTC has also initiated arbitration proceedings on the aforesaid termination to declare that the PPA termination to be illegal, baseless, void and unsustainable. PTC has claimed compensation of ₹ 16,255 lakhs and to reimburse for any charge/ claim which HPGCL may claim from PTC and also to direct the LAPL to pay PTC damages for the loss of business due to illegal termination of the PPA by the LAPL. The Management is confident that the Arbitral Tribunal will award a suitable order in favour of the LAPL reiterating the validity of termination of the PPA.

As per Interim order dated 23.03.11 of APTEL, the LAPL started supplying power to PTC and CSPTCL weft. May 7, 2011. APTEL passed the final order, dismissing the appeal of the LAPL and remanding the matter to HERC and also directed HERC to grant an opportunity of being heard to CSPTCL while confirming the said interim order. Against the order of APTEL, the Company filed a civil appeal along with an application for stay before the Hon'ble Supreme Court of India. Hon'ble Supreme Court via its order dated December 16, 2011 directed the Company to continue to supply electricity in terms of the APTEL interim order and also directed HERC to fix/ approve the tariff of sell and purchase of power for the period in dispute uninfluenced with any earlier orders. Further, the Hon'ble Supreme Court also stayed further proceedings pending before HERC related to the petition filed by HPGCL challenging the termination of PPA. Pursuant to the Hon'ble Supreme Court order, the Company had filed an application to fix/ approve the tariff before HERC for the dispute period. HERC by order dated 17.10.2012 determined the tariff and held that the

cap tariff of ₹ 2.32/kWh will prevail for the power supplied to Haryana. On 27.11.2012, LAPL had filed an Interim Application (I.A.) before the Hon'ble Supreme Court (SC) praying to direct Haryana (HPGCL) to pay the outstanding amount and as well as to direct to continue to pay for future based on the rate computed in accordance with the CERC Tariff Regulations, 2009 or alternatively direct CERC to re-determine the tariff as per CERC Tariff Regulations, 2009. On 19.02.2013, the SC passed an order directing LAPL to file an appeal in APTEL. On 04.03.2013, an appeal has been filed in APTEL against HERC order dated 17.10.2012 and the same is under hearing process. The Management based upon its assessment and legal advice obtained, is confident of the outcome of the matter in its favour and has recognized the revenue of ₹ 24,453.78 lakhs on the basis of the CERC tariff computed by the LAPL every month, whereas the payments have been released by the customer on the basis of erstwhile PPA rate resulting in revenue for the year being higher by ₹ 9,924.40 (March 31, 2012 ₹ 9,598.56) lakhs and closing receivables being higher by ₹ 19,522.96 lakhs.

56. In case of LAPL, South Eastern Coalfields Limited (SECL), in line with the changing policy guidelines of Ministry of Coal (MoC) from time to time, reduced the quantity of linkage coal due to which the operations of Unit - 2 have been significantly affected resulting in Unit - 2 not being able to achieve desired capacity utilization. The unit is also unable to source coal through E-auction/Open market sources in view of the present low level of payment from the power purchaser due to dispute in tariff. The LAPL has approached Appellate Tribunal for Electricity (APTEL) seeking tariff in line with Central Electricity Regulatory Commission (CERC) guidelines which is currently pending. Upon fixation of said tariff by the authority, unit would be in a position to receive the full tariff amount which enables the Unit to purchase coal from E-auction/Open Market and operate at optimum level. As the current phenomenon is temporary in nature, the Management does not foresee any impact on the financial statements caused on account of the above factors.

57. In case of LAPL, there are additional advances to the tune of ₹ 53,124.72 lakhs to the Company (EPC Contractor) which are to be recovered from dues to EPC contractor and it required approval of Lenders, the process of which is in progress and the management is confident of getting the same. As per the understanding with the company, the LAPL has agreed to adjust the retention money of ₹ 34,357.53 lakhs against Bank Guarantee towards the above said additional advances after obtaining the Lender's approval. The process of Lenders approval is in progress and the management is confident of obtaining the same. In addition to this an amount of ₹ 9,593.53 lakhs is payable to the EPC Contractor in Unit I and Unit II.

58. In case of UPCL , the Central Electricity Regulatory Commission (CERC) notified the Tariff Regulations, 2009 in January 2009, and also notified First and Second Amendment in May and June 2011 (Regulations, 2009). In line with the Regulations, 2009, the Company has filed petition for determination of tariff for both the units during the year. The amount billed for the year ended March 31, 2013 on this basis is ₹ 21,270 lakhs. (up to previous year ended March 31, 2012 ₹ 15,910 lakhs). Sundry Debtors includes ₹ 37,180 lakhs (Previous year ₹ 15,910 lakhs) represents the amount of Sales Revenue recognized based on tariff application filed with CERC over the provisional order for tariff passed by CERC on 24.12.2012

59. In case of LAnPL, there was a Fire Accident in Air Pre Heater-1 of Unit -1 on April 21, 2011. In the accident the Air Pre Heater was totally damaged. The LAnPL has Project Insurance Policy with The New India Assurance Company Limited. The LAnPL made claim under Material Damage and Advance Loss of Profits with the Insurer. The New India Assurance Company Limited have appointed two Surveyors, one each for Property Damage and Advance Loss of Profits (ALOP), to assess the loss. The LAnPL has requested the Insurer for an Interim Payment of ₹ 10,000.00 lakhs. Initially Insurers released an amount of ₹ 5,800.00 Lakhs.(ALOP: ₹ 5,000.00 lakhs; Material Damage: ₹ 800.00 lakhs) in the previous year and in the current year another ₹ 2,000.00 lakhs on account of ALOP. Amount received against ALOP has been adjusted in Project Capital cost and amount received against Material damage has been credited to Contractor.

60. In case of LAnPL UI charges has been accounted on the estimates of the management which is amounting to ₹ 1,848.72 lakhs, pending invoicing this charges from SLDC. The management does not expect any material difference affecting the current year's financial statement due to the same.

61. In case of LAnPL it is in the process of setting up a new project of 2 x 660 MW at Bhognipur, U.P. The land for setting up of the Plant has been acquired and most of the approvals have been received. Advance of ₹ 286.91 crores has also been given to EPC contractor for procurement of BTG equipment. The same has been funded from equity. The approval for linkage Coal is yet to be obtained pending which the Financial Closure is yet to be completed

62. LAnPL (1200 MW) had started its operations in December 2011 and plant is operating at sub optimal levels from starting onwards due to initial stabilizing phase and on account of coal and infrastructure constraints incurred losses. The management is taking constructive and necessary steps to improve the per unit realisation and confident to improve the operating levels of the plant in future. Due to non fulfilment of certain obligations by Uttar Pradesh State Power Distribution Companies (Buyers) under the PPA with the LAnPL for sale of 1,100 MW power, the company has terminated the PPA. The LAnPL exercised the option available under PPA. The LAnPL filed petition before UPERC for resolution of options. The management is confident of realising the carring value of assets in the books.

63. In case of LAnPL, the Deputy Labour Commissioner, Sonebhadra (U.P.) has sent notices to the LAnPL during year 2011 asking it to get registered under "Building & Other Construction Workers Act,1996" as well as submission of various documents. In response there of the LAnPL has filed a writ petition with the Allahabad High Court restraining the Government to do any assessment/raise any demand on the LAnPL in respect thereof. The Hon'ble High Court vide its order dated May 31, 2011 has allowed LAnPL application and has stayed issuance of any demand in the case concerned. Further any liability if any accruing on this account shall be recovered from the Company (EPC Contractor).

64. In case of LAnPL, it has filed a special leave petition before Hon'ble Supreme Court of India challenging the Order of High Court dated November 11, 2011 directing the LAnPL to deposit transit fee with Government Forest Department. The Hon'ble Supreme Court vide order dated January 30, 2012 has stayed any demand and recovery of transit fee. Further any liability if any, accruing on this account is recoverable from our Procurer "Uttar Pradesh Power Corporation Limited".

65. In case of LVTPL (an associate of the company), a Public Interest Litigation (PIL) was initiated in Hon'ble Supreme Court on April 7, 2012 against Mumbai High Court Order, of October 18, 2011 wherein it was ordered to continue the activity undertaken by the LVTPL at its own risk and the PIL was dismissed by the Hon'ble Supreme Court on May 4, 2013. But the Company took a view to slowdown the execution of the project till all the required approvals are obtained. Second public hearing was held on June 20, 2012 and the process of obtaining MoEF approval is underway. Due to various factors beyond the control of the LVTPL which are effecting the implementation schedule of the project, the Company approached MSEDCL to extend the COD. In response to our request, MSEDCL requested for extension of Bank Guarantee (BG) and accordingly the LVTPL had extended the BG twice. During the month of March 2013, MSEDCL had encashed the Bank Guarantee of ₹ 5,100 lakhs without prior notice. Based on the expert legal opinion obtained, the management is confident of getting the refund of enchashed Bank Guarantee amount of ₹ 5,100 lakhs. Further, the management is confident there will not be any levy of LDs under PPA. Hence no provision has been made in the books of accounts.

66. In case of LTHPPL, due to delay in diversion of forest land, poor geology and earthquake, leading to substantial time and cost overrun, the LTHPPL has requested the customer to revise the PPA Tariff for viability of the project. As there was no positive response from the customer, on June 20, 2012, the LTHPPL terminated the PPA and filed the petition before regulatory commission for determining liabilities arising upon termination. Based on legal opinion, the LTHPPL is anticipating minimal liability and the same will be provided on quantification. The LTHPPL approached lenders for funding the cost overrun which is under consideration. The management is confident of getting the revised funding from the lenders, complete the project as per the revised timelines and resolution of PPA issues. The management is confident that even after considering the cost overruns and delays in execution there is viability in the project and hence does not foresee any requirement for adjustment for carrying value in the financial statements.

67. During the year Lanco Hydro Power Limited has incorporated a wholly owned subsidary viz., Lanco Rambara Hydro Power Private Limited.

68. In the case of LMHEPL, the 76 MW Rambara Hydro Electric Project is yet to be transferred to the newly incorporated Special Purpose Vehicle, Lanco Rambara Hydro Power Pvt. Ltd. The approval from Govt. of Uttarakhand has been recieved vide Letter dated October 11, 2012. The total amount incurred on Rambara unit as on March 31, 2013 is ₹ 1,206.42 lakhs is shown under Expenditure during construction period pending allotment (Net) as approval pending from Lenders for transfer.

69. In the case of LMHEPL, the total estimated cost of the project as initially appraised by the lenders as per Common Loan Agreement is ₹ 52,000 lakhs. As on March 31, 2013 the total cost incurred on the project is ₹ 49,455 lakhs as against the appraised cost. Due to change in scope of the project, management has approached the consortium lenders for lending the estimated additional cost of ₹ 25,151 lakhs. As per discussion with consortium of lenders, they principally agreed to fund the additional cost with certain terms and conditions which are presently under negotiation.

70. In case of LBHPPL, started its operations in May 2012 and plant is operating at sub optimal levels from the inception due to initial stabilizing phase. Hence LBHPPL has incurred loss of ₹ 5,354 lakhs for the year ended March 31, 2013. The management is taking necessary steps and confident to improve the operating levels of the plant in future and would meet financial obligations as and when they arise.

71. In the case of LBHPPL, Himachal Pradesh tax on entry of goods in to local area Act, 2010, was made applicable from April 2010. LBHPPL has filled petition in Shimla High Court contending the Constitutional Validity of the same, the implementation is stayed on October 22, 2010.

72. LBHPPL has terminated the Power Purchase Agreement (PPA) entered with PTC India Limited (PTC). Haryana Power Generation Corporation Limited (HPGCL) disputed the Termination, PTC had in turn entered a Power Sale Agreement (PSA) with HPGCL. HPGCL approached the Honourable HERC seeking inter alia that (i) the termination of the PPA be declared illegal and invalid and (ii) that both the LBHPPL and PTC be directed to comply with their obligations qua HPGCL ("HPGCL Petition"). LBHPPL contended HERC Jurisdiction. On 25.08.2011 the Hon'ble HERC passed its order holding that it has jurisdiction to hear the HPGCL Petition. LBHPPL has preferred an appeal in Appellate Tribunal for Electricity (APTEL). On 09.08.2012 Hon'ble APTEL held that HERC does not have jurisdiction. HPGCL filled petition with Hon'ble Supreme Court. Hon'ble Supreme Court admitted the petition on 05.02.2013. The matter is pending with Hon'ble Supreme Court for hearing. Based on the Legal opinion obtained by the LBHPPL, the LBHPPL is having good case to win.

73. In Case of NETS, during the year 2010-11, the NETS had contracted with a supplier for purchase of power from May 2010 to March 2011 at pre determined prices. Due to the drastic fall in power demand arising out of widespread monsoons and change in law due to new UI Regulations (falling under the force majeure clause of the tender document) and consequential significant reduction in prices, the Company could not schedule the sale of power onwards at the contracted price, after June, 2010. The NETS had accordingly suspended the contract in November 2010 and also proposed the customer to off-take power at the average prevailing market price and to extend

the contract period beyond March 31, 2011 if the contracted power could not be sold by then. The supplier had not responded to the proposal, but has raised bills for compensation charges amounting to ₹ 8,655.40 lakhs which has not been accepted by the company.

During the year, the supplier encashed the Letter of Credit of ₹ 500 lakhs given by the NETS and has not refunded earnest money deposit of ₹ 25 lakhs and the same has been charged to expenses during the year . The supplier also filed a petition before the MPERC under section 86(1)(f) of the Electricity Act, 2003 for adjudication of dispute with the Company. By order dated October 1, 2011, MPERC held that it has jurisdiction to adjudicate the dispute between licensees. The NETS filed an Appeal against the aforesaid order before the Appellate Tribunal of Electricity ("APTEL"). The Appeal was admitted on February 13, 2012 and further proceeding before the MPERC was stayed pending the appeal in APTEL.

The management, based upon its assessment and legal advice obtained, is confident of the outcome of the matter in its favour.

74. LHTPPL has obtained possession of land parcel of 100 acres at Manikonda, Hyderabad, as per the development agreement ('the agreement') dated November 6, 2006, entered into between Andhra Pradesh Industrial Infrastructure Corporation (APIIC) and the LHTPPL. The land has been obtained for developing residential and commercial space and amenities. The transfer of ownership to the LHTPPL of such land is subject to the fulfillment of the commitment to develop the land as stipulated in the agreement. Accordingly to the extent of development commitment already executed by the Company, proportionate land admeasuring 26.97 Acres has been transferred in favour of the LHTPPL on June 22, 2010. The management is hopeful to get the balance land transferred in the favour of Company in due course.

The ownership of the land obtained as above is disputed by various parties stating that the land belongs to Dargah and consequently being administered by the Wakf Board. The disputes are presently pending before at various levels of judiciary bodies. During the year 2010-11, The Andhra Pradesh Wakf Tribunal ('the tribunal') passed a temporary injunction against the Company and restrained the Company from alienating the land. The LTHPPL, in response to the temporary injunction, had filed review petitions in the High Court of Andhra Pradesh for setting aside the said injunction of the tribunal and the same was dismissed. Further the LTHPPL had appealed against the order of the High Court before the Hon'ble Supreme Court, which granted an interim stay against the orders of Honourable High Court of Andhra Pradesh and the WAKF Tribunal. Pending the final outcome of Appeal before the Supreme Court, the Management of the LTHPPL, on the basis of an expert legal opinion, is of the view that no adjustments are required in the financial statements in respect of such disputes.

75. In case of LHTPPL, cash Flows from the operations have got affected due to ongoing legal matter regarding the title of the land which was sold by Government of Andhra Pradesh under Competitive bidding for cash consideration. Currently the short fall in cash flows are supported by the Lanco Infratech Limited ('the Holding Company'). Consequent to the interim order of the Hon'ble Supreme Court, the management is estimating that the cashflows required for the project implementation and business requirements would be met from the customer collections and if any short fall in the cash flows arises, will be supported by the Holding Company. Based on the support from the holding Company the management is confident of executing the on going project in the revised timeline.

76. In case of LHTPPL , as per the business plan, of the total 100 acres allotted, land admeasuring 13.56 acres had been earmarked for the development of residential properties, land admeasuring 29.08 acres has been earmarked for Special Economic Zone (SEZ) and land admeasuring 4.10 has been earmarked for Club house and shopping street. The balance land admeasuring 53.26 acres approximately will be classified under fixed assets, investment properties and inventories, as the case may be, based on ultimate end use pattern as per final business plan of the LHTPPL. Pending such reclassification the cost incurred on development of projects is included under the head "Development works-in-progress."

77. In case of LSEPL,Receivables include a sum of ₹ 8,978.19 lakhs (Previous Year : ₹ 34,499.99 lakhs) being the amounts due towards EPC Contracts executed during the previous year for various companies who were yet to get the Financial Disbursement in respect of funding the respective cost of projects. The management is taking steps to recover these amounts and is confident of realizing the underlying outstandings.

78. In case of LSEPL, investments of the Group include investments made in line with the Request for Selection (RFS) and Power Purchase Agreement (PPA) in companies which had won bids for solar projects under JNNSM Phase – I bid conducted by NTPC Vidyut Vyapar Nigam Ltd (NVVN). NVVN has examined these investments and advised some changes in the investments, which were complied with. The participation in bids by these investee companies and the shareholding pattern is being looked into by a committee set up by the Government of India, pending the outcome of the same, the investments in these companies are carried at cost

79. In case of GCM , Perdaman Chemicals and Fertilisers Pty Ltd. - Breach of Contract : On May 31, 2011, the Company received a writ filed in the Supreme Court of Western Australia by Perdaman Chemicals and Fertilisers Pty Ltd seeking damages of $1,800 lakhs against Griffin Coal for alleged breach of contract and seeking damages of $35,000 against various Lanco parties alleging breaches of Australian Consumer Law and interference with contractual relations. This case has now been settled in the Supreme court with Griffin Coal liable to pay to Perdaman only $75 lakhs.

80. The Company has entered into transactions with related parties, including some of its associates namely Lanco Vidarbha Thermal Power Limited (LVTPL), Himavat Power Private Limited (HPPL), Lanco Hoskote Highway Limited (LHHL), Lanco Devihalli Highways Limited (LDHL), Vainateya Power Private Limited (VPPL) and Lanco Babandh Power Limited (LBPL) (fellow Subsidiary) whose details are shown in

summary of the transactions with related parties, under Note No. 48. The Company along with Lanco Group Limited (Holding Company) and through various intermediate companies holds the remainder of shares in these associates and LBPL. In case of LVTPL, LBPL and HPPL, the Group holds cumulative compulsorily convertible preference shares which when exercised for conversion as per the terms of these shares would result in these companies becoming subsidiaries of the Company or its step down subsidiaries.

Regulus Power Private Limited (RPPL) and Ananke Properties Private Limited (APPL), associate of the step down subsidiary and associate of the Company respectively, which have the associates/subsidiaries, do not prepare consolidated financial statements. LBPL is an associate of RPPL and Banas Thermal Power Private Limited (BTPPL) is a subsidiary of APPL.

Under Indian GAAP, the Company is not required to consolidate these associates and LBPL.

81. Previous year figures have been regrouped/reclassified wherever necessary.

As per our report of even date

For Brahmayya & Co.
Firm Reg. No. 000511S
Chartered Accountants

per N. Sri Krishna
Partner
Membership No. 26575

Place: Gurgaon
Date: May 29, 2013

For and on behalf of the Board of Directors of
Lanco Infratech Limited

L. Madhusudhan Rao
Executive Chairman
DIN - 00074790

G. Venkatesh Babu
Managing Director
DIN - 00075079

T. Adi Babu
Chief Operating Officer Finance

A. Veerendra Kumar
Company Secretary

Place: Gurgaon
Date: May 29, 2013

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

(₹ Lakhs)

Sl. No.	Subsidiary Name	Reporting Currency	Capital	Reserves	Total Liabilities	Total Assets	Investment (Except Investment in Subsidiaries)	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
1	Lanco Power Limited	INR	5,18,395	386	73,670	5,92,451	-	1,838	526	165	361	-
2	Lanco Thermal Power Limited	INR	4,42,424.90	(43.47)	2,99,780.90	7,42,162.33	2,38,372.69	1,413.27	549.95	76.71	473.24	-
3	Lanco Kondapalli Power Limited	INR	34,000.07	1,20,319.92	3,25,715.60	4,80,035.59	0.55	1,02,555.46	429.72	4,629.18	(4,199.46)	-
4	Lanco Tanjore Power Company Limited	INR	11,504.68	33,940.37	17,668.64	63,113.69	-	28,896.84	7,612.68	1,608.17	6,004.51	-
5	Lanco Amarkantak Power Limited	INR	91,112.26	47,989.80	8,77,115.95	10,16,218.01	-	93,055.07	(11,823.15)	(485.14)	(11,338.01)	-
6	Udupi Power Corporation Limited	INR	1,93,420.25	(6,931.06)	6,61,243.54	8,47,732.74	51.21	2,73,612.22	13,771.12	9,586.00	4,185.12	-
7	Lanco Anpara Power Limited	INR	1,36,460.00	(77,692.80)	4,65,569.07	5,24,336.27	-	1,23,965.96	(61,775.24)	-	(61,775.24)	-
8	Arneb Power Private Limited	INR	207.00	-	0.22	207.22	-	-	-	-	-	-
9	Portia Properties Private Limited	INR	6,959.84	(47.72)	6.94	6,919.06	-	-	(0.83)	-	(0.83)	-
10	Lanco Hydro Power Private Limited	INR	52,598.66	(582.62)	68,552.55	1,20,568.59	-	947.06	220.89	26.91	193.98	-
11	Lanco Teesta Hydro Power Private Limited	INR	57,169.33	-	1,83,200.77	2,40,370.10	-	-	-	-	-	-
12	Lanco Budhil Hydro Power Private Limited	INR	8,777.00	(5,353.61)	63,196.38	66,619.77	-	3,283.81	(5,353.61)	-	(5,353.61)	-
13	Lanco Mandakini Hydro Energy Private Limited	INR	11,565.50	-	40,049.90	51,615.40	-	-	-	-	-	-
14	Lanco Rambara Hydro Power Private Limited	INR	1.00	-	0.39	1.39	-	-	-	-	-	-
15	Diwakar Solar Projects Limited	INR	23,833.02	-	29,583.77	53,416.79	-	-	-	-	-	-
16	Lanco Solar Energy Private Limited	INR	17,500.00	3,156.27	2,17,321.08	2,37,977.35	16,403.89	1,02,452.42	2,296.15	834.00	1,462.15	-
17	Lanco Solar Services Private Limited	INR	60.00	130.53	302.77	493.30	-	965.95	230.20	73.05	157.14	-
18	Lanco Solar Private Limited	INR	30,062.74	343.97	81,587.46	1,11,994.17	-	4,337.99	48.05	9.16	38.89	-
19	Khaya Solar Projects Private Limited	INR	2,751.23	(593.31)	5,919.81	8,077.73	-	853.22	(354.72)	-	(354.72)	-
20	Bhanu Solar Projects Private Limited	INR	1.00	(2.46)	3.87	2.41	-	-	1.87	0.36	1.51	-
21	Lanco Solar Power Projects Private Limited	INR	99.60	(2.96)	9.30	105.94	-	-	(2.26)	-	(2.26)	-
22	Orion Solar Projects Private Limited	INR	51.00	(2.80)	2.83	51.03	-	-	(2.19)	-	(2.19)	-
23	Pasiphae Power Private Limited	INR	1.00	(0.79)	0.23	0.44	-	-	(0.37)	-	(0.37)	-
24	Sabitha Solar Projects Private Limited	INR	28.85	(2.19)	14.79	41.45	-	-	(1.58)	-	(1.58)	-
25	Helene Power Private Limited	INR	14.44	-	5.09	19.53	-	-	-	-	-	-
26	Omega Solar Projects Private limited	INR	1.00	(5.56)	4.66	0.10	-	-	-	-	-	-
27	Lanco Wind Power Private Limited	INR	4,062.05	-	329.60	4,391.65	-	-	(3.62)	-	(3.62)	-
28	Amrutha Power Private Limited	INR	30.68	-	45.62	76.30	-	-	-	-	-	-
29	Spire Rotor Private Limited	INR	1.00	-	0.56	1.56	-	-	-	-	-	-
30	Emerald Orchids Private Limited	INR	7.00	-	0.35	7.35	-	-	-	-	-	-
31	JH Patel Power Project Private Limited	INR	15.86	-	1.20	17.06	-	-	-	-	-	-
32	National Energy Trading and Services Limited	INR	3,652.94	3,639.03	26,054.99	33,346.96	500.11	2,56,211.78	749.80	262.80	487.00	-
33	Mahatamil Mining and Thermal Energy Limited	INR	7,339.27	-	6,786.96	14,126.23	-	-	-	-	-	-
34	Mercury Projects Private Limited	INR	20,843.13	248.49	45,272.02	66,363.64	13,446.10	19,941.18	137.87	48.78	89.09	-
35	Lanco Hills Technology Park Private Limited	INR	48,050.00	(3,729.45)	1,94,210.21	2,38,530.76	-	16,697.10	(1,539.44)	-	(1,539.44)	-
36	Uranus Projects Private Limited	INR	1,786.99	(23.56)	0.45	1,763.88	-	-	(0.63)	-	(0.63)	-
37	Jupiter Infratech Private Limited	INR	151.00	(3.98)	0.46	147.48	-	-	(0.40)	-	(0.40)	-
38	Uranus Infratech Private Limited	INR	133.60	(4.79)	0.24	129.05	-	-	(0.49)	-	(0.49)	-
39	Leda Properties Private Limited	INR	676.00	(7.47)	0.22	668.75	-	-	(0.40)	-	(0.40)	-
40	Coral Orchids Private Limited	INR	479.75	(10.29)	1.82	471.28	-	-	(2.11)	-	(2.11)	-
41	Thebe Properties Private Limited	INR	1,313.20	(12.77)	30.98	1,331.41	-	-	(0.41)	-	(0.41)	-
42	Cressida Properties Private Limited	INR	329.00	(5.78)	0.45	323.67	-	-	(0.38)	-	(0.38)	-
43	Nix Properties Private Limited	INR	611.00	(11.04)	0.34	600.30	-	-	(0.36)	-	(0.36)	-
44	Cordelia Properties Private Limited	INR	193.10	(13.25)	7.84	187.69	-	-	(0.35)	-	(0.35)	-
45	Deimos Properties Private Limited	INR	350.93	(9.02)	0.33	342.24	-	-	(1.37)	-	(1.37)	-
46	Dione Properties Private Limited	INR	426.79	(15.60)	0.59	411.78	-	-	(0.27)	-	(0.27)	-
47	Neptune Projects Private Limited	INR	188.72	(4.87)	0.22	184.07	-	-	(0.32)	-	(0.32)	-
48	Pearl Farms Private Limited	INR	954.21	(271.22)	0.38	683.37	-	-	(18.83)	-	(18.83)	-
49	Telesto Properties Private Limited	INR	567.50	(20.05)	0.33	547.78	-	-	(7.58)	-	(7.58)	-

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies (Contd.)

(₹ Lakhs)

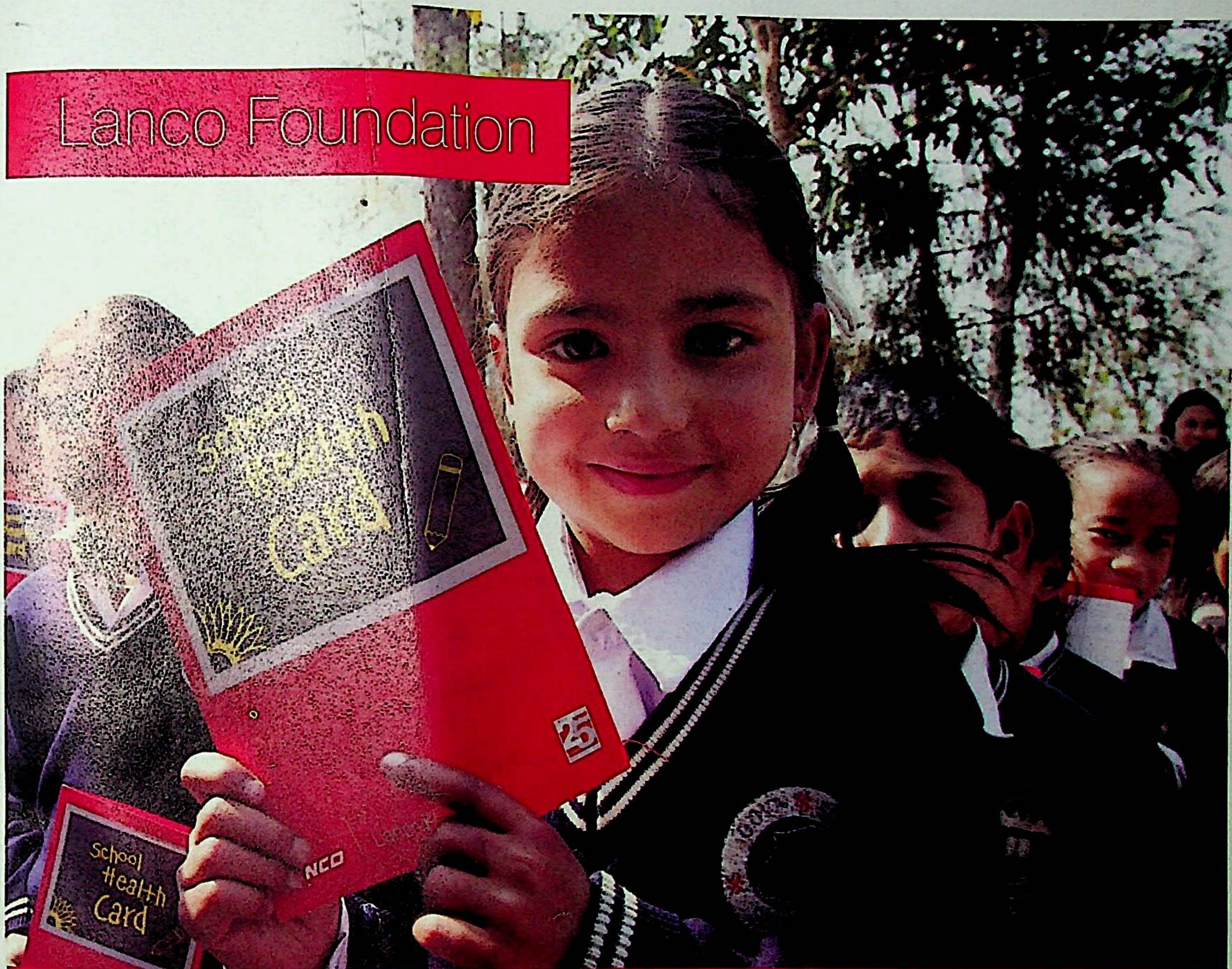
Sl. No.	Subsidiary Name	Reporting Currency	Capital	Reserves	Total Liabilities	Total Assets	Investment (Except Investment in Subsidiaries)	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
50	Lanco International Pte Limited	USD	5,438.93	67,153.75	1,95,876.22	2,68,468.90	-	1,39,110.01	10,873.78	1,130.83	9,742.95	-
51	Lanco Enterprise Pte Limited	CNY	86.31	(12.02)	49.98	124.28	-	1,821.82	(120.88)	-	(120.88)	-
52	Lanco Infratech Nepal Private Limited		16.09	0.07	1.10	17.26	-	-	-	-	-	-
53	LE New York - LLC	USD	97.84	120.32	66.32	284.48	-	-	258.09	-	258.09	-
54	Lanco Power International Pte Limited	USD	54.38	(11.44)	870.32	913.25	-	-	(9.69)	-	(9.69)	-
55	Lanco Solar International Pte Limited	USD	5,438.93	5,580.21	17,256.83	28,275.97	-	27,934.56	5,041.27	244.16	4,797.11	-
56	Lanco Solar Holding Netherland B.V.*	EURO	5,149.40	(3,845.42)	8,049.98	9,353.97	-	-	(3,682.92)	10.46	(3,693.38)	-
57	SolarFi SP 07 *	EURO	0.70	(79.71)	763.41	684.40	-	90.95	(66.21)	3.82	(70.03)	-
58	SolarFi SP 06 *	EURO	0.70	(75.15)	725.75	651.30	-	98.00	(63.40)	6.25	(69.65)	-
59	Lexton Trading (Pty.) Limited *	ZAR (Rand)	0.05	(0.05)	-	-	-	-	(1.17)	-	(1.17)	-
60	Approve Choice Investments (Pty.) Limited *	ZAR (Rand)	0.05	(0.05)	-	-	-	-	-	-	-	-
61	Bar Mount Trading (Pty.) Limited *	ZAR (Rand)	0.05	(0.05)	-	-	-	-	-	-	-	-
62	Barrelake Investments (Pty.) Limited *	ZAR (Rand)	0.05	(0.05)	-	-	-	-	-	-	-	-
63	Belara Trading (Pty.) Limited *	ZAR (Rand)	0.05	(0.05)	-	-	-	-	-	-	-	-
64	Caelamen (Pty.) Limited *	ZAR (Rand)	0.05	(0.05)	-	-	-	-	-	-	-	-
65	Dupondius (Pty.) Limited *	ZAR (Rand)	0.05	(0.05)	-	-	-	-	-	-	-	-
66	Gamblegreat Trading (Pty.) Limited *	ZAR (Rand)	0.05	(0.05)	-	-	-	-	-	-	-	-
67	Lanco Solar International Limited, UK	GBP	1,852.22	(591.20)	2,507.84	3,768.86	-	-	(583.87)	-	(583.87)	-
68	Lanco Solar International GMBH *	EURO	114.75	(106.77)	104.81	112.78	-	-	(109.53)	-	(109.53)	-
69	Lanco Solar International USA Inc. *	USD	163.16	(4,409.60)	5,165.35	918.91	-	-	(4,400.60)	-	(4,400.60)	-
70	Lanco Rocky Face Land Holdings LLC *	USD	-	296.96	(296.32)	0.64	-	4.54	(296.25)	-	(296.25)	-
71	Lanco Tracy City Land Holdings LLC *	USD	-	297.79	(296.80)	0.99	-	5.34	(296.36)	-	(296.36)	-
72	Lanco IT PV Investments B.V.*	EURO	12.52	(183.60)	2,928.13	2,757.04	-	-	(142.27)	-	(142.27)	-
73	Apricus S.R.L *	EURO	253.21	(529.47)	3,134.08	2,857.82	-	-	(354.56)	-	(354.56)	-
74	Green Solar SRL *	EURO	6.95	(158.03)	197.26	46.18	-	-	(153.09)	-	(153.09)	-
75	Lanco US PV Investments B.V.*	EURO	12.52	92.45	1,175.45	1,280.42	-	-	44.43	-	44.43	-
76	Lanco Solar Holdings LLC (USA) *	USD	-	(422.59)	423.16	0.57	-	-	(422.49)	-	(422.49)	-
77	Lanco Virgin Islands- 1 LLC (LVI) *	USD	-	-	-	-	-	-	-	-	-	-
78	Lanco SP PV 1 Investments B.V.*	EURO	12.52	(72.03)	62.31	2.80	-	-	(69.35)	-	(69.35)	-
79	Lanco Resources International Pte Limited	USD	30,240.45	(7,960.24)	1,41,836.92	1,64,117.13	-	-	(4,470.14)	42.39	(4,512.53)	-
80	Lanco Holding Netherland B.V.	EURO	15.41	(45.58)	35.24	5.07	-	-	(459.03)	-	(459.03)	-
81	PT Lanco Indonesia Energy	IDR	679.87	(779.93)	218.06	117.99	-	-	(393.80)	-	(393.80)	-
82	Lanco Resources Australia Pty. Limited *	AUD	1,00,250.73	(11,451.09)	4,38,681.07	5,27,480.72	-	304.63	(11,665.94)	(1,310.97)	(10,354.98)	-
83	The Griffin Coal Mining Company Pty Limited *	AUD	3,263.64	3,62,669.99	4,79,107.37	8,45,041.00	-	95,641.57	(44,796.67)	(12,735.32)	(32,061.35)	-
84	Carpenter Mine Management Pty Limited *	AUD	-	2,911.95	1,16,846.92	1,19,758.87	-	1,06,499.33	13,124.39	3,991.20	9,133.19	-
85	Western Australia Coal Terminal Pty Ltd.	AUD	-	-	-	-	-	-	-	-	-	-
86	Lanco Infratech (Mauritius) Limited	USD	543.89	(15.86)	4.36	532.40	-	-	(5.71)	-	(5.71)	-
87	Bhola Electricity Pvt Ltd.	BDT	0.68	0.09	750.75	751.52	-	-	-	-	-	-
88	Lanco Kanpur Highways Limited	INR	19,650.00	-	10,587.61	30,237.61	0.29	-	-	-	-	-

1. The annual accounts of the subsidiary companies and the related detailed information are available for inspection to shareholders of the holding and subsidiary companies in the registered office of the holding company and of the subsidiary companies concerned.
2. The Indian rupee equivalents of the figures given in the foreign currencies in the accounts of the subsidiary companies, have been given based on the exchange rate on 31.03.2013.

INR vs.	USD	GBP	EURO	CNY	ZAR (Rand)	AUD	BDT	IDR (per Re)
Exchange rate	54.39	82.32	69.54	8.74	5.89	56.58	0.70	178.97

* Based on the unaudited financial statements

Lanco Foundation



We care for the world we live in

At Lanco Foundation, we have a pledge to make things better for humanity. Through an efficient and comprehensive social responsibility programme, the Foundation today focuses on Education, Health, Drinking Water, Disability, Community Development and Environment. Across 14 locations in 12 states, spread over 183 villages and reaching out to more than 3,99,000 people.

All this because we care for the world we live in.

LANCO

Lanco Infratech Limited

Registered Office: Plot No 4, Software Units Layout, HITEC City, Madhapur, Hyderabad – 500 081. Andhra Pradesh, India

Corporate Office: Lanco House, Plot No 397, Udyog Vihar, Phase III, Gurgaon – 122 016. Haryana, India

www.lancogroup.com

This Annual Report is printed on 100% recycled paper.